

**INDIVIDUAL FACTORS MOTIVATING FORMATION OF VIABLE WOMEN
OWNED SMALL AND MEDIUM ENTERPRISES VERSUS MEN OWNED
SMALL AND MEDIUM ENTREPRISES: A CASE STUDY OF KINONDONI
MUNICIPALITY**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE MASTER OF BUSINESS ADMINISTRATION OF
THE OPEN UNIVERSITY OF TANZANIA**

2013

CERTIFICATION

The undersigned certifies that he has read and hereby recommends for examination a dissertation titled “Individual factors motivating formation of viable women owned small and medium enterprises versus men owned small and medium enterprises: A case study of Kinondoni municipality” in partial fulfillment of the requirements for the award of the Master of Business Administration of the Open University of Tanzania.

.....
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(Supervisor)

.....
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DECLARATION

I, Cassian M. Faustin, do hereby declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other University for a similar or any other postgraduate degree or diploma award.

.....

Signature.

.....

Date

DEDICATION

This work is dedicated to my wife Anna Cassian, and my sons Faustin, Frank and Cosmas for their commitment and tolerance to allow me utilize most of my time on my studies and ensure that this work is completed.

ACKNOWLEDGEMENTS

I would like to extend my sincere appreciation to all the people who contributed to the completion of this dissertation. Since it is not possible to mention all of them, I am compelled to single out a few who were closely associated with this work.

First and foremost would like to thank my almighty God, my family for the material and moral support during my studies. I wish to express my heart felt thanks to my supervisor Prof. Beatus Kundi for his tireless efforts in providing me with the guidance, insights, comments and suggestions during the study.

My thanks also go to all members of staff and administration of the Open University of Tanzania in particular the Faculty of Business Management for their support. I am alone responsible for any errors, omission and any short comings of this work.

ABSTRACT

The main objective of the study was to identify Individual factors motivating formation of viable women and men owned small and medium enterprises with the aim of analyzing how those factors affects each group. This study investigated Motivations for business ownership, demographic characteristics of women, factors contributing to business success and the challenges that women face in starting up compared to men. Exploratory research approach was followed in this study using the case study design so that an avenue for in depth study can be attained. A survey method using questionnaires was applied, the sample constituted 100 respondents from Kinondoni Municipality. The study used Stratified random sampling method isolating the sample into 2 strata, which consisted of 50 women entrepreneurs and 50 male entrepreneurs. The SPSS software was used to analyze the coded interrogation results. This study has revealed that need for financial independence, level of proficience, skills and competence, need for self esteem and entrepreneurial personality motivates both women and men in the same way to form viable SMEs however need for job satisfaction and internal locus of control seemed to have highly motivated more men than women. Social responsiveness and business oriented family background were observed to have motivated the lowest number of both women and men interviewed. It is suggested that problems of start up capital, taxation, provision of business legal compliance guides, information on market availability and communication cost be curbed to enhance success of small and medium entrepreneurs for the healthier economy of our people and the nation at large.

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LIST OF ABBREVIATIONS AND ACRONYMS

BEST	Business Environment Strengthening in Tanzania
CTI	Confederation of Tanzania Industries
GDP	Gross Domestic Product
ICT	Information and Communication Technology
ILO	International Labour Organisation
MSME	Micro, Small and Medium Enterprises
nAch	Need for Achievement
NBS	Network for Business Sustainability
NBV	New Business Value
NFWBO	National Foundation for Women Business Owners
NGO	Non Governmental organization
OECD	Organization for Economic Co-operation and development
SBO	Strategies for Business Owners
SME	Small and Medium Enterprise
URT	United Republic of Tanzania

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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background

Very little is known today about the backgrounds, life histories, motivations, and beliefs of the founders of businesses in high-growth industries. Understanding how entrepreneurs develop, the circumstances that can foster or induce entrepreneurship, and the mindset and beliefs of entrepreneurs could prove helpful both in supporting the existing class of entrepreneurs and in augmenting the ranks of entrepreneurs (Wadhwa, et al., 2009).

Women entrepreneurs in developed countries enjoy an advantage over those in developing countries in that they have access to greater support from women mentors and role models and easier access to formal training in the principles of business planning and organisation. Furthermore, access to capital and the acceptance of women as business owners and women in the workplace has dramatically improved. Women, however, conceive their businesses differently from the way men do which women have different socialization experience which might shape varied strategic choices among themselves such as their prior professional experience and social network affiliation (Bussey and Bandura, 1999).

Where women in developed countries do face obstacles, these are societal and based on old norms. Women entrepreneurs are a driving force in today's modern economy. They shape and redefine the workplace, business networks, financial institutions and culture. There are a number of initiatives designed to motivate women entrepreneurs. Studies show that the experience of women in business is different from those of men. There is profound gender differences in both women's experiences of business ownership, and the

performance of women-owned firms (Carter and Brush,2004). Most of the research on women entrepreneurs, limited largely to women in developed countries, has tended to concentrate on unique aspects of the entrepreneurship of women. The studies investigate the demographic characteristics of women, their motivations for startup and the constraints that women face in starting up. There are very few studies on women entrepreneurs in Africa , this is largely due to the lack of indigenous research studies, lack of information, lack and limitation in contextual African methodologies, lack of relevant and up-to-date data and appropriate instruments of measure and problems of access to African women entrepreneurs in most African cultures and countries.

In Africa, according to Richardson and Finnegan (2004), society's views are largely negative about women entrepreneurs who associate and network with others in business. This is not a problem in the North East. In fact women entrepreneurs who start their own ventures are admired and looked upon and greatly encouraged by society, and the government . African women in informal sector activities seem to be the norm on the continent. Engendered access to control and remuneration creates handicaps that include: insufficient capital, limited expansion and women's networks being restricted to micro entrepreneurial activities. Female solidarity has had little success in the face of culture, class, ethnic and socio-economic differences. Henderson and Robertson (2000) identifies the major constraints to the expansion of entrepreneurial activities for African women entrepreneurs as lack of capital, landlessness, labour, education, family, discrimination and training. It can be concluded that the key challenges facing women entrepreneurs in Africa are:

- Inadequate access to formal credit;
- Vulnerability of women to adverse effects of trade reform;
- Restraints with regard to assets (land);

- Lack of information to exploit opportunities; and
- Poor mobilisation of women entrepreneurs.

In the context of Tanzania, micro enterprises are those engaging up to 4 people, in most cases family members or employing capital amounting up to TZS 5.0 million. The majority of micro enterprises fall under informal sector. Small enterprises are mostly formalized businesses engaging between 5 and 49 employees or with capital investment from TZS 5 million to TZS 200 million. Medium enterprises employ between 50 and 99 people or use capital investment from TZS 200 million to TZS 800 million (SME Development policy, 2002).

In Tanzania, more than 70% of all registered businesses are SMEs. It is undisputable fact that the private sector which is dominated by SMEs is still nascent but plays a significant role in the economic development of the country. Limited market access, lack of financial access, poor technology are among the biggest challenges facing the sector. (CTI, 2009). Kimambo, 2005 reveals that in Tanzania SME number can only be estimated. Studies conducted by CTI and BEST between 2003 and 2004 and Ministry of Industries and Trade Report, 2003 indicate that the aggregate contribution of SMEs to Tanzanian economy is estimated at between 35% and 40% of GDP. It is estimated that there are 1.7 million enterprises employing more than 3 million people or more than 30% of the labour force in Tanzania (Kimambo, 2005)

1.2 Administrative Structure of Dar es Salaam City Council

The Administrative structure of Dar es Salaam City Council is such that, it has three municipal councils of Ilala, Kinondoni and Temeke. The city is headed by Honourable City Mayor, with an Executive Director appointed by the President. The City Council is

hydra headed, meaning that the City Council is an umbrella housing three Municipal Councils of Ilala, Temeke and Kinondoni. Every Municipal Council is headed by politically elected Honourable Mayor and Presidential appointed Executive Director. All in all the councils are accountable and answerable to the Minister for Regional Administration and Local Government (PO-RALG). At lower tiers of the administrative structure are Ward and *Mtaa* or *Kitongoji* whose leaders are appointed and accountable to Municipal Director (Mfaume and Wilhelm, 2004)

1.3 Statement of the Problem

Apart from a number of efforts made by the Government, Donors, Non- government organisations (NGOs) both local and international to increase the formation of viable women owned SMEs but the number of women participating in SMEs still is very Low. Women participating in SMEs are mainly in low-growth areas earning lower revenues than men counterparts . Since recent statistics disaggregated by sex are not available, it is not possible to estimate how many women among informal economy enterprises and SMEs are operating small and medium-sized enterprises. However, the growth rate of women-owned SMEs appears to be very low indeed much lower than that of male-owned enterprises. Men and women, however, have different priorities in establishing networking relationships. Men's motives are often more instrumental (seeking personal gain) while women have more affective considerations in social relationships. Their management style is not seen as being relevant and thus, women are often excluded from the male networks which are very effective (Wendy and Siong, 2008).

Women, however, conceive their businesses differently from the way men do, women have different socialization experience which might shape varied strategic choices among themselves such as their prior professional experience , social network affiliation and

different approaches to venture creation and business growth expectancies (Bussey and Bandura, 1999).

Basing on the above background, the researcher have been attracted by the fact that , the growth rate of women-owned SMEs appears to be lower than that of male-owned enterprises and intends to establish the main motivating factors affecting women to participate in formation of viable SMEs in Tanzania particularly in Kinondoni Municipality as compared to men. This study examines the differences between female and male-owned businesses with respect to characteristics and background of the individuals. The central research question of the current study is, what are the individual Motivativating factors affecting formation of viable women owned SMEs as compared to men owned SMEs? This study aims to answer this main question .

1.4 Objectives

1.4.1 General Objectives

The main objective of the study is to identify Individual factors motivating formation of viable women owned small and medium enterprises versus men owned small and medium enterprises in Kinondoni Municipality.

1.4.2 Specific Objectives

1. To assess factors affecting formation of viable women owned Small and Medium Enterprises.
2. To compare the prevalence of motivating factors for women and men to form small and medium enterprises.
3. To compare the viability of women owned small and medium enterprises against male owned small and medium enterprises.

1.4.3 Research Questions

As an attempt to carry out the analysis of Individual factors motivating formation of viable women owned small and medium enterprises versus men owned small and medium enterprises in Tanzania, the study will address the following key questions in the Tanzania context:

- i. What are the factors affects formation of viable women and Men owned small and medium enterprises?.
- ii. What is the prevalence of factors motivating formation of viable women owned SMEs as compared to men owned SMEs ?.
- iii. Does the viability of women owned SMEs differ from those of men owned SMEs?

1. 5 Significance of the Study

We know very little about female entrepreneurs, and our ignorance of this important demographic is a serious blind spot in any effort to increase the total number of Entrepreneurs participating in our economy. A comparison of key motivating factors and challenges of women owned small and medium-sized enterprises (SMEs) is significant in that it takes place in a situation in which our country is in strugle to develop her economy and improve the living standards of people who are located in different regions with different geographical characteristics making some regions economically advantaged and others economically disadvantaged all these features creating different businesses aspirations.

Understanding the different goals that women have for entrepreneurship in the global context, and the relationship between these goals and the structural factors that influence women's entrepreneurship, will be of great help to researchers, planners, as well as

practitioners working to promote women entrepreneurs in developing countries, especially on the African continent and specifically in Tanzania. This understanding can lead to the development of more finely tuned policies and programmes of support for women entrepreneurs.

Women entrepreneurs constitute a growing share of SME owners and are creating new niches for entrepreneurial activity, but often confront special barriers to business creation and development. Ensuring a good environment for the start-up and expansion of women-owned businesses is important for the overall development of the economy, society, and a policy concern for governments of various countries ,with this need it is very important to appreciate and critically analyze the motives and viability factors that leads Women owned Small- and medium-sized enterprises to prosper. Entrepreneurship liberalizes the economy, promotes foreign innovation, infuses new technology, and increases standards of living (Zahra and Dess , 2001).

1. 6 Scope of the Study

The study will focus on women and men owners or managers of SMEs who are within Kinondoni Municipality in Dar es salaam Region.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

According to Saunder's et al. (2007) reviewing the literature provides the foundation in which the research is built, its main purpose is to help developing a good understanding and insight into relevant previous research and the trend that have emerged. The purpose of this chapter is to develop a good understanding and insight into individual factors motivating formation of viable small and medium entrepreneurs, success factors and challenges for successful start up of SMEs.

2.2 Definitions of Key Concepts

2.2.1 Enterprise

The word enterprise has been used in a range of context and meanings. An enterprise as a controlled system consisting of a detector, a selector and an effector. The detector is the function by which a system acquires information about its environment, which is then used as the basis of the selection of a behavioral response by the selector. Finally, the behaviour is executed by the effector, the measurement system of an enterprise gathers information about the changes in both the environment and the performance of the enterprise. This information is then used together with the preferences of the enterprise and its management to produce decisions about the required actions. As a result, the outputs of the enterprise the products, the services, the operational performance and the financial performance are changed (Bridge and Cromie, 2003).

2.2.2 Entrepreneurship and an Entrepreneur .

Entrepreneurship is the dynamic process of creating incremental wealth. The wealth is created by individuals who assume the major risks in terms of equity, time and or career

commitment or provide value for some product or service. Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence. These risks take a variety of forms, depending on the field of effort of the entrepreneur, but usually center around financial, psychological, and social areas. For the person who actually starts his or her own business, the experience is filled with enthusiasm, frustration, anxiety, and hard work. There is a high failure rate due to such things as poor sales, intense competition, lack of capital, or lack of managerial ability. The financial and emotional risk can also be very high (Hisrich, et al., 2005).

There is a broad consensus that a vibrant SME sector is one of the principle driving forces in the development of a market economy. Small businesses can enable rapid industrialization and accelerated economic growth (Bhattacharya, 2002). Entrepreneurship can operationally be defined as the ability or attempt to create and manage a new venture. It is linked with the qualities and activities of entrepreneur i.e. to see an opportunity and being able to benefit from it (Mfaume and Wilhelm , 2004).

An entrepreneur has been variously defined in the literature, Suleiman (2006) defined entrepreneurship as “the willingness and ability of an individual to seek for investment opportunities to establish and run enterprises successfully. According to Mfaume and Wilhelm (2004), an entrepreneur is considered to be a person with ability to take risk of organizing resources into business venture and manage it with the aim of being successful.

2.2.3 Viability of the Business

What gets measured gets managed. Issues or goals without obvious metrics are much harder to tackle. The viability of a business is measured by its long-term survival, and its

ability to have sustainable profits over a period of time. If a business is viable, it is able to survive for many years, because it continues to make a profit year after year. The longer a company can stay profitable, the better its viability. Business sustainability is the inclusion of financial, environmental, and social concerns into business decision(NBS, 2012).

Thompson (2005) describes four components of business viability model which can be used to evaluate individual characteristics of the business venture's viability, and gives a sample of such components being Market viability which involves market size, sustainability, competitors, availability of similar products in the market, advertising and pricing. A second component is technical viability which refers to capacity, availability and quality of resources, manufacturing process etc, a third component is business model viability which include ability to create worth, ability to duplicate and delegate . Another important viability component is the management viability which refers to application of knowledge and skills ,training ,employee management and recruitment, management of risks, suitable organizational structure, party from the exit strategy which involves ability to define and schedule exit strategy there is the last component of viability model which is the economic and financial viability which looks on the start up costs ,working capital, operating costs, raw material costs , overall profitability, break even point, sustainability of market versus projected revenue.

2.2.4 Small and Medium Entrepreneurs (SMES)

The SMEs nomenclature is used to mean micro, small and medium enterprises. It is sometimes referred to as micro, small and medium enterprises (MSMEs). The SMEs cover non-farm economic activities mainly manufacturing, mining, commerce and services. There is no universally accepted definition of SME. Different countries use various measures of size depending on their level of development.

The commonly used yardsticks are total number of employees, total investment and sales turnover. In the context of Tanzania, micro enterprises are those engaging up to 4 people, in most cases family members or employing capital amounting up to Tshs.5.0 million. The majority of micro enterprises fall under the informal sector. Small enterprises are mostly formalised undertakings engaging between 5 and 49 employees or with capital investment from Tshs.5 million to Tshs.200 million. Medium enterprises employ between 50 and 99 people or use capital investment from Tshs.200 million to Tshs.800 million. This is illustrated in the table below (Ministry of Industry and Trade, 2002).

Table 2. 1. Categories of SMEs in Tanzania

Category	Employees	Capital Investment In Machinery (Tshs.)
Micro enterprises	1 – 4	Up to 5 mil.
Small enterprise	5 – 49	Above 5 mil. to 200 mil
Medium enterprise	50 – 99	Above 200mil.to 800 mil.
Large enterprise	100 +	Above 800 mil.

Source: SME Development policy, 2002.

2.2.5 Firm Performance

Firm performance refers to the firm's success in the market, which may have different outcomes. Firms performance is a focal phenomenon in business studies. However, it is a complex and multidimensional phenomenon. Performance can be characterised as the firm's ability to create acceptable outcomes and actions. Success, in general relates to the achievement of goals and objectives in whatever sector of human life, success is a key term in the field of management, although it is not always explicitly stated. Success and failure can be interpreted as measures of good or indifferent management. In business studies, the concept of success is often used to refer to a firm's financial performance.

However, there is no universally accepted definition of success , and business success has been interpreted in many ways [<http://www.Skirec.com>] site visited on 9/12/2011.

2.2.6 Factors Affecting Success of SMEs

There is considerable variation in the criteria for success used in previous studies . Empirical studies of factors affecting SME success can be roughly divided into two groups according to whether they focus on a quite limited set of variables or try to capture more holistic profiles of successful SMEs. Previous empirical research has used both surveys and case studies. There are also some compilations of the results of previous studies of the factors contributing to firm success. For instance, Storey (2000) has compiled the results of previous studies focused on the birth, growth and death of small firms, on the basis of which he presents some normative “dos and don’ts” lessons for small firms. The following recent studies based on surveys have dealt with the factors affecting SME success. Indarti et al. (2010) identified key components to be important in analyzing the business success of SMEs which includes the characteristics of the entrepreneurs; the characteristics of the SMEs; and the contextual elements of SME development.

Reynolds et al. (2000) found that individuals aged 25-44 years were the most entrepreneurially active. Finding from another study in India by Munikrishnan and Veerakumaran (2012) disclosed that successful entrepreneur were relatively younger in age , who was dissatisfied with his career path, but not his field, and who decided to make his mark on the world by developing a product or service to make life easier for people. According to him, a successful entrepreneur needed the following traits: "heart", patience, drive, courage, the ability to co-operate and an understanding of leverage. Cooper, et al. (1994) found that entrepreneurs starting larger firms tended to have more education, more management experience and objectives that were more managerial in nature. It is believed

that honesty and integrity were crucial in building a successful business . Sexton (1991) described an entrepreneur as one who was tolerant of ambiguity, preferred autonomy, was aloof, enjoyed risk-taking, resisted conformity and adapted readily to change. Nelson (1991) believed that willingness to take risks was a key to becoming a successful entrepreneur. Other necessary elements included luck, timing, capital and persistent hard work.

2.2.7 Motivation for Becoming Entrepreneurs

Motivations for being in business are complex and often, small business ownership is inextricably tied up with the personal lives of business operators and their families (Culkin and Smith, 2000). With respect to small business ownership, the literature suggests that individuals are either ‘pulled’ or ‘pushed’ into business (Hughes, 2003)

A ‘pull’ motivation is an individual’s positive inner desire to start a business venture and is centred on the potential new business owner’s need to take control and change his/her work status as an ‘employee’. Common ‘pull’ factors include independence or autonomy, being one’s own boss, wealth creation, lifestyle change and the desire to use or apply personal experiences and knowledge (Singh and DeNoble, 2003). In contrast, ‘push’ motivations are external negative drivers and typically encompass aspects such as job frustration, perceived lack of advancement opportunities, avoidance of low-paid occupations, escape from supervision and constraint of subservient roles, unemployment and retrenchment (Curran and Blackburn, 2001).

2.2.7.1 Push and Pull Factors for SMEs Formation.

Typically, small business ownership occurs from the combination of both ‘pull’ and ‘push’ forces and may be viewed as a continuum along which exists many combinations of ‘push’ and ‘pull’ factor variations (Hughes, 2003). The specific combination of ‘pull’ and

‘push’ motivations that drive small business ownership is determined largely by operator expectations of a positive change in personal circumstance. Particularly important are affective ‘windfalls’ such as the independence gained from being one’s own boss, personal freedom, personal satisfaction, a less rigid, more flexible lifestyle, and more job satisfaction. It is often said that a person cannot win a game that they do not play (Fielden et al., 2000).

In the context of entrepreneurship, this statement suggests that success depends on people’s willingness to become entrepreneurs. Moreover, because the pursuit of entrepreneurial opportunity is an evolutionary process in which people select out at many steps along the way, decisions made after the discovery of opportunities to positively evaluate opportunities, to pursue resources, and to design the mechanisms of exploitation also depend on the willingness of people to “play” the game. Human motivations influence these decisions, and that variance across people in these motivations will influence who pursues entrepreneurial opportunities, who assembles resources, and how people undertake the entrepreneurial process. In recent years, entrepreneurship research has focused largely on the environmental characteristics influencing firm founding’s and the characteristics of entrepreneurial opportunities (Aldrich and Zimmer, 2000).

2.2.7.2 Environmental Characteristics Fostering Firm Fomation

Although this focus has greatly enhanced our understanding of the entrepreneurial phenomenon, it ignores the role of human agency. Entrepreneurship depends on the decisions that people make about how to undertake that process. We argue that the attributes of people making decisions about the entrepreneurial process influence the decisions that they make. Although previous researchers have rightly criticized much of the existing empirical research on the role of human motivation in entrepreneurship.

Inadequate empirical work does not negate the importance of understanding the role of human motivation in the entrepreneurial process. In fact, even sociologists who have argued strongly against the usefulness of trait-based research in entrepreneurship implicitly acknowledge that motivation must matter to this process. Along those lines, individuals who are innately well versed in a variety of fields, being Jacks-of-all-trades, have higher chances of becoming entrepreneurs (Lazear, 2004).

Silva (2006), however, questions results with an analysis of longitudinal data, showing that changes in the spread of knowledge across different fields do not necessarily increase the prevalence of entrepreneurship. The work of Hamilton (2000) offers a complementary explanation on motivations for becoming an entrepreneur, highlighting the relevance of non-pecuniary benefits of the self-employment.

2.2.7.3 SMEs as Sources of Additional Income and Employment.

Another portion of the literature has examined the difference between average earnings of salaried employees and those of self-employed workers. The studies in this line have found evidence that the initial earnings growth in a new business for entrepreneurs is larger than the growth in wages for salaried employees starting a new job (Brock and Evans, 1986). However, Hamilton (2000) points out some problems of this strand of the literature, particularly the existence of “superstar winners” upwardly biasing the results, the need for a longer time approach and the need for a proper account of incomes, expenses, earnings, wages and tax structures in the comparison between salaried employees and entrepreneurs.

In conditions of high unemployment and low real wages it is important for economies to increase labor demand and create new sources of income. One way of doing so is to encourage the creation of new firms, in this generating not only new jobs but also profits

for their owners. In this context, the economy benefits from encouraging individuals with entrepreneurial abilities to put in practice their traits and become entrepreneurs. Needless to say, the policy option of encouraging entrepreneurship comes at a cost, and hence it constitutes an interesting public policy issue (van Praag and Cramer, 2001). One plausible explanation for the positive and significant impact on income of becoming an entrepreneur could be a lower tax burden on entrepreneurs than on wage employees as results of tax evasion. Nevertheless, it should be noted that in Chile the six poorer deciles of the workers have an income tax burden close to zero. In addition, tax evasion tends to be smaller in the poorest deciles of the population where the self-employed are most.

2.2.7.4 Independence and Self Fulfilment Needs For Women Entrepreneurs.

Although independence and self-fulfillment are seemingly common motivations, significant differences are found across countries with culture and social interaction. Ufuk and Ozgen (2001) examined female married entrepreneurs in Turkey and reported that meeting family needs and initiating social relations are the most important factors in becoming business owners. Results from a study of Nigerian women entrepreneurs show that the main motivation for engaging business is to reduce poverty and to reverse their deteriorating economic condition (Woldie and Adersua, 2004).

The greater impact on women may reflect that, although women earn less than men overall, gender disparities tend to be smaller outside of the salaried sector, where self-employed workers are less likely to be subject to some sort of wage discrimination based on pure taste. This is in line with the results of Ñopo et al. (2007) for Peru when comparing racial differences in earnings between wage earners and self-employed. The creation of a new venture, or firm, is often referred to as entrepreneurship. Although we recognise that academics are still arguing over a precise definition of entrepreneurship, but

we can define entrepreneurship as the process of new venture creation through bearing risks (Bussey and Bandura, 1999), by discovering and exploiting opportunities and often causing creative destruction. (Schumpeter, 1934). Entrepreneurs assess the risks associated with starting a business. He or she may be in employment or may be unemployed, so must make a rational economic decision about whether the risk of moving into self-employment is worth taking.

The individual may be a “necessity” entrepreneur who starts a business because of economic need or unemployment (Carter and Brush, 2004) or a Kirznerian opportunity entrepreneur who moves from employment to self-employment to exploit an opportunity that he or she has discovered, (Kirzner, 1997). Indeed, Shane identifies that those who are unemployed have “less to lose by becoming entrepreneurs”, (Shane, 2008) i.e. “a lower opportunity cost on their time” and he goes as far as saying that “If a place wants more of its population to start businesses, it needs to have more of its population out of work”. With rising unemployment in the UK, many people who are made redundant will inevitably be ‘pushed’ towards entrepreneurship which may increase the effectiveness of policies designed to encourage entrepreneurship.

There are non-economic reasons why people start a business. It may be that the individual would rather be independent or be his or her own boss or as Shane delightfully puts it, “most people start businesses simply because they just don’t like working for someone else”. There are also non-economic factors that might put people off starting a business. These will include the potential stigma of failure, i.e. many simply do not become an entrepreneur because they think they could fail and are not prepared to risk having the social disgrace of failing. While these non-economic factors may be significant, they are predicated on the perceived chances that a venture will be economically successful. An

entrepreneur will not achieve financial independence if their firm is a failure or its success is insufficient to pay them enough that they can maintain their lifestyle. Equally, the social disgrace of failing is tied up in the ability to make a sufficient return from a new venture. Economic factors are also likely to be important in themselves (Shane, 2008).

2.2.7.5 Employment and Self Employment Preferences

Blanchflower and Oswald (1992) used surveys to examine the choice between employment and self-employment and concluded that:

- There is a clear preference towards self-employment which leads to higher levels of satisfaction.

- Potential entrepreneurs are often stymied by a “shortage of capital and money” and “most small businesses were begun not with bank loans but with own or family money and that the single biggest concern to potentials was with where to obtain capital”. As a result, receiving an inheritance or a gift led to higher levels of self-employment. Douglas and Shepherd (2002) found that: “the intention to be an entrepreneur is stronger for those with more positive attitudes to risk and independence. That is, the higher the tolerance for risk, and the more-positive the attitude to decision-making autonomy, the stronger is the stated intention to be an entrepreneur. Note that income was not a significant determinant of entrepreneurial intention, people do not appear to start their own businesses to get rich, or to get any richer than they expect to get as employees.”, (Du Riets and Henrekson, 2000). However, other studies suggest that potential financial rewards are important:

- Cassar (2007) found that a key motivation for becoming an entrepreneur was potential financial success.

- Henderson and Robertson (2000) , interviewed students and found that “being one’s own boss” and “to make money” were the primary motivations for choosing to start a new business.

- Serguey et al. (2009) describes that “he will choose to start a business if and only if his expected net income from doing so exceeds that from waged work” That controversy extends to the question of whether high tax rates will encourage or discourage entrepreneurship. Some authors suggest that higher income tax levels can increase entrepreneurship. This can happen because entrepreneurs are given particular reliefs or because “high marginal tax rates on unincorporated businesses serve as an insurance policy against business failure because they allow businesses to write off business losses against personal income in the event that they fail.” There is some empirical support for these arguments. It is well understood that taxes can have a number of effects on the incentives that shape people’s behaviour:

- High corporate taxes may encourage firms to move abroad.
- High motoring taxes are put in place partially to encourage people to drive less, reducing greenhouse gas emissions.
- High taxes may shift the balance of rewards between work and leisure, leading people to work less. They can also affect the choice between becoming an entrepreneur and remaining in employment. This can happen in two ways:
 - The tax system undermines the key means by which new businesses are financed.
 - The high rewards that justify the risks associated with becoming an entrepreneur.

2.2.7.5 Womens Intention for Launching and Managing New Businesses

Other research finds women’s intentions for launching and managing new businesses may differ from men’s (Carter and Brush, 2004). Orser and Hogarth-Scott (2005) found that women weighted the opinions of their spouses more heavily than men as a key ingredient for growth. Based on the expectancy theory argument, we reason that the different approaches to venture creation and different desired outcomes among men and women nascent entrepreneurs shape different business expectancies (Orser and Hogarth-Scott,

2005) Women often leave the corporate world to become entrepreneurs, by starting their own businesses, to provide additional flexibility and life balance in managing their traditional responsibilities as wife and primary caretaker of children.

The primary concern for many women is the combined responsibility of work and family. Jayant et al. (2010) explains that women often start their own business for “three types of personal gains: personal freedom, security, and/or satisfaction. She describes “freedom seekers” as those who are dissatisfied with their employment due to pay inequities or discrimination and desire the freedom to choose their preferred type of work (i.e. hours of work, environment, and people they work with). The work flexibility provided by entrepreneurship is appealing for women in terms of location, often working at home or close to home, and the hours of work. “Security seekers” are those who have been prompted to become an entrepreneur due to some personal misfortune, such as layoff, downsizing, divorce, death or retirement of their spouse. These “security seekers” start a business to improve or maintain their family social or economic status. The “satisfaction seekers” are housewives who do not have any previous work skills or experience but want to prove to others or themselves that they can be productive and useful in society.

2.3 Entrepreneurial Traits

2.3.1 Need for Achievement

Within the research domain of personality traits and entrepreneurship, the concept of need for achievement (nAch) has received much attention. McClelland (1961) argued that individuals who are high in nAch are more likely than those who are low in nAch to engage in activities or tasks that have a high degree of individual responsibility for outcomes, require individual skill and effort, have a moderate degree of risk, and include clear feedback on performance. Further, McClelland argued that entrepreneurial roles are

characterized as having a greater degree of these task attributes than other careers; thus, it is likely that people high in nAch will be more likely to pursue entrepreneurial jobs than other types of roles.

2.3.2 Risk Taking

Risk-taking propensity is another motivation of interest, which emerged from McClelland's (1961) original research on entrepreneurs. McClelland claimed that individuals with high achievement needs would have moderate propensities to take risk. This claim by McClelland is especially interesting for entrepreneurship research because the entrepreneurial process involves acting in the face of uncertainty. The operational environment has not been too favourable to women's active participation and perhaps their risks-averse posture (Ikhide and Alawode, 2001).

2.3.3 Tolerance for Ambiguity

Distinguishing the temperament and abilities of entrepreneurs from workers has long been a subject of interest to economists. Entrepreneurs are frequently represented as being more tolerant of risk. However, entrepreneurs often face situations in which the returns from their activities have unknown odds. This situation is referred to as "Knightian uncertainty" or "ambiguity" (Luca et al., 2008).

Schere (1982) argued that tolerance for ambiguity is an important trait for entrepreneurs because the challenges and potential for success associated with business start-ups are by nature unpredictable. Budner (1982) defined tolerance for ambiguity as the propensity to view situations without clear outcomes as attractive rather than threatening. Because entrepreneurs continually face more uncertainty in their everyday environment than do

managers of established organizations, entrepreneurs who remain in their jobs are likely to score high on tests for this trait than would managers.

2.3.4 Locus of Control

Another motivational trait that has received attention is locus of control—the belief in the extent to which individuals believe that their actions or personal characteristics affect outcomes. Individuals who have an external locus of control believe that the outcome of an event is out of their control, whereas individuals with an internal locus of control believe that their personal actions directly affect the outcome of an event (Rotter, 1966).

As McClelland (1961) discussed earlier, individuals who are high in nAch prefer situations in which they feel that they have direct control over outcomes or in which they feel that they can directly see how their effort affects outcomes of a given event. The research on locus of control suggests that firm founders differ from the general population in terms of locus of control. Shapero (1977) found that firm founders from Texas and Italy were more “internal” than other groups of professions reported by Rotter (1966). This same pattern holds with female firm founders versus the general female population (Hisrich, 1985) and with Black firm founders versus the general Black population (Durand, 1975).

2.3.5 Self-efficacy

Self-efficacy is the belief in one’s ability to muster and implement the necessary personal resources, skills, and competencies to attain a certain level of achievement on a given task (Bussey and Bandura, 1999). In other words, self-efficacy can be seen as task-specific self-confidence. Self-efficacy for a specific task has been shown to be a robust predictor of an individual’s performance in that task and helps to explain why people of equal ability

can perform differently. An individual with high self-efficacy for a given task will exert more effort for a greater length of time, persist through set backs, set and accept higher goals, and develop better plans and strategies for the task. A person with high self-efficacy will also take negative feedback in a more positive manner and use that feedback to improve their performance. These attributes of self-efficacy may be important to the entrepreneurial process because these situations are often ambiguous ones in which effort, persistence, and planning are important.

2.3.6 Goal Setting

Tracy et al (1998) conducted a study of the owners of small printing firms. Both concurrent and longitudinal measures of four aspects of performance were obtained: financial performance, growth, and innovation. The quantitative goals the entrepreneurs had for each outcome were significantly related to their corresponding outcomes, both concurrently and longitudinally (nAch in this study was unrelated to performance). Baum et al (2001) also found that growth goals were significantly related to the subsequent growth of architectural woodworking firms. Although there have been other studies of entrepreneurial goals, to our knowledge, only these two have related quantitative measures of goal difficulty to performance.

2.3.7 Independence

Independence entails taking the responsibility to use one's own judgement as opposed to blindly following the assertions of others. It also involves taking responsibility for one's own life rather than living off the efforts of others. Many investigators have observed that the entrepreneurial role necessitates independence. First, the entrepreneur takes responsibility for pursuing an opportunity did not exist before. Second, entrepreneurs are,

in the end, responsible for results, whether achieved or not achieved. Further, individuals may pursue entrepreneurial careers because they desire independence. For example, in interviews with U.S. female firm founders, Hisrich (1985) found that one of the prime motivations for starting a business was a desire for independence.

2.3.8 Drive to Make Entrepreneurial Ideas into Reality

There is some relation between the term drive and that of nAch, but we use the term drive some what more broadly. We use it basically to refer to the willingness to put forth effort both the effort of thinking and the effort involved in bringing one's ideas into reality. When entrepreneurs pursue opportunity, they must take action to make it real. We differentiate the four aspects of drive: ambition, goals, energy and stamina, and persistence. Ambition influences the degree to which entrepreneurs seek to create something great, important, and significant when they pursue opportunities. The nature of the entrepreneurial ambition may include making money or the desire to create some thing new, from conception to actuality. Ambition translates into setting high goals for oneself and others . It is well known that high goals lead to better performance results than moderate or low goals To achieve high goals requires enormous energy and stamina. When goal-directed energy is sustained over time, it is called persistence or tenacity. Pursuing an opportunity is never easy; failure at some point or in some respect is an inevitable part of the process. What sustains such effort over long periods? One factor is high self-efficacy or task specific confidence. The second factor is, strangely enough, love (Locke and Latham, 1990).

2.3.9 Egoistic Passion

More precisely, it is a passionate, selfish love of the work. Some commentators like to pretend that businessmen's core motive is to selflessly serve their employees and society.

We argue, in contrast, that ego is a central motive. The true or rational egoist passionately loves the work; they love the process of building an organization and making it profitable. They are motivated to do what is actually in their own interest—that is, to do everything necessary. Surprisingly, there have been virtually no quantitative studies of the role of passion in entrepreneurship. One exception is the study by Baum, et al., (2001).

2.4 Why Women do Become Entrepreneurs

Women become entrepreneurs due to several factors which may be grouped under “Pull factors” and “Push factors”. Pull factors refer to the urge in women to undertake ventures with an inclination to start a business. Women entering business, driven by financial need due to family circumstances are said to be influenced by push factors. Vargheese et al., (2011). Tong and Chen (2004) summarized Chinese women entrepreneurial motivations: better living, personal success and independence. They stated that women entrepreneurs, especially those with low education, fell into the motivational category for better living, had above-average expectations for income due to a previous lack of income and desired psychological security. Less-experienced women entrepreneurs often had comparatively lower income expectations when compared to experienced entrepreneurs, and also strove for non-monetary and intrinsic goals. Motivation for women entrepreneurs is linked to career selection. Key indicators include the level of education and training, individual desires, career-entry expectations and career self-sufficiency, academic ability and peer aspirations.

Current research findings reported in the Chinese Common People’s Entrepreneurship Investigation Report states that success-fulfillment, wealth and concerns about living standards are the top three entrepreneurial motivations. This finding is suitable for both females and males: their entrepreneurial motivation has no obvious difference. Pull factors

include interest in business, self-fulfillment, personal control, and maintaining technological skills (Tong and Chen, 2004). Entrepreneurs motivated by pull factors often resign from their stable work environments to create their own new ventures by taking advantage of their accumulated financial savings as well as technological skills or management experience. Push factors include low income, future limitations on employee opportunities, loss of employment, and too much competition for jobs (Hu and Zhu, 2006). Push and pull factors were prevalent in the transformation of China.

2.5 Challenges and Obstacles

Women generally lack the necessary resources for starting and developing their own businesses. Resources critical for success are the assets that women bring with them to the entrepreneurial process in the form of human capital (formal and occupational experiences) and the entrepreneur's ability to access resources in the environment (e.g. capital, suppliers, customers). Human capital is derived through investment in education and training. Research supported the theory that women have been impeded from acquiring adequate levels of human capital because of social and cultural forces (SAWE, 2005)

2.5.1 Access to Finance

According to UDEC (2002) many MSEs lack access to finance for starting, operating and expanding their businesses. The estimated demand for MSE credit is 2.5 million borrowers, compared to about 50,000 borrowers being served currently . The largest demand for credit is in the range of Tshs 50,000 to 500,000. Small and short-term loans (typically rising in stages from Tshs 50,000 to 500,000 per MSE recipient or loan group, with a repayment period of 6-12 months) are available from several MFIs, of which PRIDE, MEDA and Poverty Africa are the most prominent and widespread. Explorative

study conducted in Bukoba rural and urban districts found that women in Bukoba districts lack information coordination and sharing, because of geographical location. It was found that women in Bukoba Rural District less informed on credit provision than the women in Bukoba Urban District council. About 52% of respondents answered that they raised their capital using their own sources. Women like other investors need capital to start their businesses, but the sources of their capital differ since other women obtain their capital from their husband (15.5%), own source (52.9%), credits (25.9%), and other sources (5.7%) (Silva , 2009).

A study from Nepal points out that all formal credit institutions seek tangible collateral for loans, and that women are effectively sidelined from institutional credit since they have little access to inherited property . The study also points out that data on borrowing from formal and informal sources show that institutional sources of credit accounts for only 15.4 per cent of women's borrowing whereas non-institutional – from friends and family – accounts for 84.6 per cent. In sum, it is interesting to note that although it often is self reliance that motivates women to venture out on their own, they have to rely on the securities of others to raise their basic capital requirements (Mahat, 2003).

2.5.2 Access and Confidence in Marketing

The ability to tap into new markets requires expertise, knowledge and contacts. Women often lack access to training and experience in on how to participate in the market place and are therefore unable to market goods and services strategically. Miller (1983) pointed out proactivity as a dimension of business strategy that allowed entrepreneurs to act in advance by adopting an aggressive behaviour compared to their rivals. “Proactive” entrepreneurs differ from “reactive” entrepreneurs who only respond to previous changes

in the market or their business environment (such as new technologies and innovation, changes in competition or customer tastes).

Lumpkin and Dess (1996) consider that proactivity and reactivity are both opposite concepts to “passiveness”. The latter one poses a behaviour of indifference or inability to grab opportunities or take the lead in the markets (McMullen et al., 2007). Thus, women-owned SMEs are often unable to take on both the production and marketing of their goods. In addition, they have often not been exposed to the international market, and therefore lack knowledge about what is internationally acceptable. The high cost of developing new business contacts and relationships in a new country or market is a big deterrent and obstacle for many SMEs, in particular women-owned businesses. Women may also fear or face prejudice or sexual harassment, and may be restricted in their ability to travel to make contacts.

Only very few small-scale business operators indicated that they supply their goods/services to the main regional markets. This would appear to suggest that the women entrepreneurs have limited experience of marketing and selling to distant markets, where they may be able to find better price advantages. Essentially, most of the women entrepreneurs would appear to be facing stiff competition with others for a limited clientele in small local markets, and they are not actively seeking (or knowing about) potential opportunities for getting better prices for their products and services further afield. The survey results also showed that 59 percent of the women entrepreneurs do not use any promotional means to advertise their businesses. The major promotional technique used by many (69 per cent) is by word of mouth and through the use of signboards, both of which tend to be locally focused (ILO, 2003).

Even when women are otherwise in control of an enterprise, they often depend on males of the family in this area. Marketing means mobility and confidence in dealing with the external world, both of which women have been discouraged from developing by social conditioning. Unfamiliarity with the external world and lack of ease in moving around in it greatly hamper women when it comes to dealing with a multiplicity of agencies in setting up or running a business. It is here that, despite professional competence and training, women are forced to turn to men for assistance (Vishwananthan, 2001).

2.5.3 Access to Training

Skill development is being done in women's polytechnics and industrial training institutes. Under various schemes like the World Bank sponsored programme to upgrade polytechnics, separate institutes have been set up for women. The course design should keep in mind the special needs of women, such as their preference to work from their homes, which would enable them to also fulfil their household responsibilities. This should not, however, result in mechanically restricting them to low technology linked skills traditionally believed to be suitable for women. Several hi-tech functions with substantial value addition and good profitability could also be undertaken within homes and the courses should be imaginatively and innovatively designed. (Vishwananthan, 2001).

Families routinely provide financial and emotional support for sons that they would never extend to daughters. Parents and daughters together need to be convinced that the skills learned in the polytechnics could provide them with profitable occupations. In women's institutes, therefore, there is a strong case for introducing an additional year of training when the pupils who have been taught skills are put to work in training-cum-production workshops, whose produce is sold and income earned (Vishwananthan, 2001).

2.5.4 Traditional Views on the Role of Women in the Society

According to Vargheese, et al., (2002) .Women were the first humans to taste bondage. She was a slave before slavery existed. Inferiority can largely be attributed to her sexual peculiarities. “Man has always played the role of a lord; as a result, his physical and mental development took place at a good pace befitting his occupation and field of interest. On the contrary, the overall growth of women remained stunted”. By sheer custom even the most ignorant and worthless man has been enjoying superiority over women, which he does not deserve. Women were denied the benefit of education. They had no opportunities to develop their natural capacities and became helpless, illiterate, narrow-minded and peevish One characteristic that clearly distinguishes most business women from their male counterparts is the added responsibility society often puts upon them in their roles as mothers and wives. The time taken up and the emotional burden created by these dual role responsibilities often interfere directly with the conduct of business for women in ways that do not apply to the majority of men in South Asia.

Chinese women have come a long way from feudalism to emancipation. In pre-modern China, women were considered inferior to men and were in the bottom rungs of society. They had no independent social or legal rights. Since the foundation of the People’s Republic of China in 1949, the Chinese Communist Party has been advocating women’s liberation. This was reflected in Mao Zedong’s famous proverbs: “Women hold up half the sky.” Women were encouraged to work outside of home and participate in full time jobs. China’s constitution is the cornerstone to protect gender equality. Women are provided equal opportunity for education, health care, inheritance, property rights, political participation and employment (Lei and Hung, 2010).

The often prevailing attitude that the women’s place is at home and that her first priority is to look after the home and family constrain many married women from venturing into

entrepreneurship. Even for the women who are interested, the fact that marriage often results in geographical displacement, makes serious entrepreneurship the last option. Charumathi (1998) identifies the fact that women's enterprises are taking a second place to home as one of the main weaknesses of women entrepreneurs in India.

Women entrepreneurs in Bangladesh also suffer from the myth of women not being effective organizers. On the other hand, they are believed to be best suited for housekeeping. This has created difficulties for women to become true entrepreneurs. In another study on women entrepreneurs in Bangladesh, Anwar (1992) found that due to the prevailing social norms, women entrepreneurs were prevented from managing their businesses independently. These norms had restricted women entrepreneurs' mobility, and thereby affected interaction with others.

Women in Nepal also suffer from bias against women because of the cultural and traditional values (Battacharya, 2002). The expected behavioural pattern of women which is marked by modesty and lack of articulation is often misinterpreted as incompetence and lack of professionalism. Women entrepreneurs also face restrictions hampering their mobility. Some of the women entrepreneurs complain that government clerks and private dealers harass them. Thus the main obstacles that women face in business are educational and work background, psychological characteristics, motivation, perception and career efficacy, training and skills development, comparative earning levels, management practices, external networking, desire to succeed and other obstacles (SAWE, 2005).

2.5.5 Statistical Invisibility of Business Owners by Gender

The scarce availability of reliable and valid data continues to be one of the key obstacles to understanding the challenges specific to women's entrepreneurship and their impact on

economic growth. Sex-disaggregated statistics and sex-based policy analyses have become more widespread in recent years (OECD, 2004).

Most countries do not collect statistics on the sex composition of business owners or operators. Indeed, statisticians would argue that such statistics are methodologically problematic because many businesses have multiple owners and operators, some of whom might be men and some women. Although women entrepreneurship has been recognized as an important source of economic growth, there is limited research about the nature and practice of female entrepreneurs in a transitional economy such as China. Women in those countries often experience gender inequality due to traditional and cultural obstacles (Lei and Hung , 2010) .

Individual personalities will influence the likelihood would-be entrepreneurs will exploit potential opportunities, though any specific opportunity will inevitable be refracted through the filters of people with different personality traits, affecting conclusions about potential success (Shane, 2008). However, in the absence of some kind of statistical base, policymakers, bankers and others tend to assume that all businesses are owned and/or operated by men or, to a similar effect that businesses owned or operated by women are no different from those of men. This is not so. Although few general statistics on the sex composition of business owners and operators are available, a number of comparative studies of women-owned and men-owned or operated businesses show quite distinct differences. Such differences suggest different needs, and show that in order to make good policy it is essential to make women's businesses visible in terms of numbers, their share of businesses and distinct characteristics. The institutional framework influences an individual's decision-making capabilities by signaling which choices are acceptable as

well as determining which norms and behaviors are socialized into individuals in a given society (Baughn, 2006).

Comparative studies have also shown that women entrepreneurs tend to operate in different subsectors than men. They are also likely to be concentrated in specific subsectors. Sectors or subsectors that are dominated by women entrepreneurs tend to receive little attention from policymakers who, when they do consider SMEs, are more likely to associate SMEs with manufacturing and to focus on programmes such as forward and backward linkages that are more relevant to manufacturing SMEs. Regional trade organizations are much more likely to consider liberalizing trade in subsectors where the main beneficiaries will be businessmen, and to negotiate cross-border and other problems that affect sectors and industries dominated by men. Entrepreneurial decisions and a venture's development during its early stages are highly related to an individual's characteristics (Moore, 1990).

2.6 Theoretical Review

2.6.1 Maslows Hierarchy of Needs

The most well known Motivation related theories are Abraham Maslow's Hierarchy of Needs, in which the needs are categorised as Hierarchical relations. There are physiological needs, social needs, respect needs, and needs for self fulfilment. A higher need class is only activated when the needs of a lower level have been satisfied. The lowest level of this hierarchy consists of physiological needs and highest contain self fulfilment, acknowledging and understanding. A business that will be viable must take the needs and status of the target business population into consideration. In an area dominated by low income people such as people who live on the equivalent of less than two US dollar per day who may be struggling to meet perhaps basic physiological needs the

provision of high level products and services in the area would not be profitable. Similarly in an area dominated by people who live on the equivalent of about ten US dollar per day, businesses that offer low grade products and services may not survive and prosper (Idemobi, 2011).

Similarly the evaluation of the needs and income level of a business target population by entrepreneurs according to Maslow's hierarchy of needs theory would be useful in properly targeting the business to the needs of the people and their ability to pay for goods and services, a condition for successful venturing. The power to discover business opportunities can easily be applied by anyone who can make the right environmental diagnosis using Maslow's Hierarchy of Needs Theory. Any entrepreneur that can target a business to the needs and income levels of the target people according to Maslow's postulations would readily be successful. Basing on the same theory a person having a lower level needs satisfying job is likely to embark on higher level satisfying activity for purpose of attaining his or her higher level needs, this emanates from activation of higher needs by satisfaction of lower level needs, the link between needs and their respective satisfying job could lead an individual to embark on entrepreneurship as a higher need satisfying option. Maslow's theory is criticised due to the fact that the hierarchy is not necessary relevant in a sense that according to some scholars, sometimes it is possible for a person to access higher levels without having fulfilled the lower ones first. Artists, politicians or athletics may be examples of these people. However, Maslow's theory has received credits because he was able to show that others than biological needs also guide peoples' functions (Robbins and Timothy, 2007).

2.6.2 McGregor Theory

According to Ngirwa (2005) Douglas Mc Gregor a late professor in management at Massachusetts institute of Technology in his book "the Human side of Enterprise" presents

at two opposite extremes, a pair of assumptions about human beings which he thought were implied from the actions of the managers. McGregor's Theory divides people straight on two groups, McGregor's X and Y theory are based on human concepts, in which people are highly lazy workers, or then they have a natural desire towards working and trying. Thus a person is willing to work only because he is forced or he lacks something, or on the other side his perceptions of working and motives derive from own positive desires to work and perform.

According to this theory individuals particularly who seems to have expressive motives of needs for independence, individuality, job satisfaction as dominant ones and in addition, mental growth motives which are desires to improve ones own ideas, innovation, creativity, are the ones who are likely to engage into entrepreneurship as the motives stated here are directly attached with entrepreneurs.

2.6.3 McClelland's Theory of Needs

McClelland(1961) through his theory of needs posits that individual's motivation is expressed as their drive to excel in relation to a set of standards. According to this theory, a high desire for performance is a common characteristic for entrepreneurs. Its appearance features are the desires for self fulfilment, success and the will to take responsibility of one's own actions. Risks are calculated and there is a need to have straight and concrete response from any sorts of results. Additionally, for this characteristics it is natural to set rather strict timelines, and encourage oneself to innovate action.

Translating this to a project setting and supporting this argument, Garies (2005) presents the concept of 'performance motives' where the individuals are motivated to achieve the performance objectives they set.,for themselves. Human needs are attached towards life's

concrete plans, e.g. work, education, family etc. Plans and goals reflect values and when the results from certain processes change the goals, the change pressures also target the values. Achievement motivation theory also emphasizes value complex which seems to have a direct contact on successful entrepreneurship.

2.6.4 Hertzberg's Two-Factor Theory

Hertzberg's two factor theory deals with so called circumstance and motivational. This theory attaches working and certain needs together by defining the needs that can be satisfied with good performance. The main hypothesis in Hertzberg's theory is the fact satisfied factors motivate effective performances, whereas dissatisfied factors do not. Two factors theory illuminates two basic dimensions for work, which are the work's external circumstances and the work itself. An entrepreneur may be dissatisfied with the external circumstances i.e. hierarchical constructions, but he can be satisfied with the job itself. On the other hand, a person might be happy with the environment and the ambience of the work place but job motivation and results may be non encouraging. Motivational factors that create satisfaction may be achievements, rewards, responsibility, progress or mental growth, the need for them motivates individuals to become entrepreneurs. Factors that cause dissatisfaction on the other hand are the lack of control and guidance, status and safety. Based on this, it can be said that challenging, variable and interesting job motivates effectively the worker (Hertzberg, 1964).

2.7 Empirical Studies

2.7.1 Traits of Successful Women Entrepreneurs

There have been a number of valuable studies concerning women entrepreneurs as detailed below; Harbi (2009), Kepler and Shane (2007), Das (2001), Chotkan (2009), Ingrid et al. (2006), Vivek et al. (2010), which examined traits of successful women

entrepreneurs , effects of gender in new venture performance , problems facing womens in forming new ventures and continued operations and similarities and differences between successful women and men entrepreneurs. However, none of these studies analyses and compares the factors motivating formation of viable women and men owned SMEs , the prevalence of the said factors affecting the two groups as well as the viability of the women and men owned SMEs.

In the study done by Harbi (2009) which examined the entrepreneurial intentions of young well educated people in Tunisia with an objective of understanding the attitudes and entrepreneurial intentions of females, and contrasting them with males in order to provide an account of cultural attitudes towards female enterprise. In the survey of 332 university students it was found that male and female intentions were very positive, but varied by gender. It was found that cultural gender expectations continued to play a major role, inspite of the fact that they were well educated, the perceived social norms seemed to confine female to a more traditional path. Indeed the contemporaries of females, their male counterparts, seemed to be more negative towards the idea of female enterprises. It was suggested that any policy targeting the encouragement of female entrepreneurship would need to work to change the image of female entrepreneurship in Tunisia.

2.7.2 Effects of Gender in New Venture Performance and Problems Facing women

Entrepreneurs in Setting up New Ventures

Kepler and shane (2007) found that when other factors are controlled for, gender does not affect new venture performance. However, several factors differing expectations, reasons for starting a business, motivations, opportunities sought and types of businesses vary between the genders, and these result in differing outcomes. Such observations should be taken into account when comparing the outcomes of ventures across genders. This study

sought to determine why a performance difference exists for female- and male-owned ventures. The subset used was a sample of representative entrepreneurs who started in 1998 and 1999, resulting in 685 usable new businesses. Women represented 349 cases. Various measures of performance outcome were studied, such as venture size. Many of the variables were on a scale from “no extent” to “a very great extent.” Econometric models were created to determine the relationship among the variables.

It have been reported by Das (2001) in his study which was done in two states in southern India- (Tamil Nadu and Kerala) which examined the problems women faced during the setting up and continued operation of their businesses, and the work family conflicts that these women faced. It also looked at their reasons for starting a business and the self reported reasons for their success. Due to the language and subcultural differences found in India, the study was limited to two states in southern India. These states were chosen due to the researcher’s familiarity with their culture and languages The data was collected through in depth personal interviews with the respondents. The interviews were two to three hours in length, and were followed by visits to the stores/production facilities in order to gain a better understanding of their operations. A questionnaire was used to guide the researcher during data collection but the focus was also on collecting qualitative data through open-ended questions. The study is part of an effort to develop case studies on successful women entrepreneurs in India; hence, the focus was on in-depth research as opposed to having a large sample size. This exploratory study indicates that there may be both similarities and differences between the experiences of women from the developing world and the developed world , in both states, data was collected from two large cities. The cities were chosen based on discussions with the agencies and were based on the number of women entrepreneurs in the area. The final sample consisted of 35 women. When asked what led to their success, the most common reason given seems to be

personal qualities such as "hard work and perseverance". Product related factors such as "providing a quality product", "uniqueness of offerings" and "variety of products offered" were the most frequently stated reasons for success. People skills and marketing skills were mentioned by some women. A significant number of women also credited their success to the support provided by their spouses. It was also noted that the initial problems faced by these women seem similar to those faced by women in western countries. However, Indian woman entrepreneurs faced lower levels of work family conflicts and seem to differ in their reasons for starting and succeeding in business.

2.7.3 Women Entrepreneurs in Developed and Developing Countries.

Chotkan (2009) did a study for the purpose of analyzing the differences and similarities between Surinamese female entrepreneurs in Suriname and in the Netherlands that own a small firm. To answer the central and research questions of this research the qualitative research approach was applied, with qualitative research she was able to obtain more insight in the attitudes, behaviors, values, motivations or lifestyle and culture of women entrepreneurs. The method used for data collection was the interview technique, brief description was given about the topic. The interview checklist was used as a guide through the interview. With permission of the interviewees the interviews were audio-recorded. The benefit of recording was that the interviewer did not have to note everything the interviewee said and was able to focus completely on the questions and the conversation itself. Furthermore, the interviews were recorded for being able to be re-listened to guarantee accuracy of the analysis.

Taking in consideration the confidentiality aspect, one of the ethical issues in qualitative research the interviewer knew which answers belong to which interviewee, but this was not discoverable by the reader. The participants for this research were selected through the

snowball sampling method and most of the participants in Suriname and in the Netherlands knew each other. The qualitative analysis was good and applicable method for this research 'the emphasis of qualitative analysis is a person's 'lived experience', People's perceptions, assumptions, and the meaning people have about events in their lives can be connected to the society they live in and can give better understanding of a certain topic. For this research the cross-case technique was applicable. This technique created the possibility to increase generalization by studying several cases. The results show that women in developed countries as the Netherlands are more often 'pulled' into entrepreneurship, whereas women in developing countries as Suriname are more often pushed' into entrepreneurship due to economical circumstances. The overall conclusion based on the five key concepts and the results from the interviews was that motivation and networking enhances business growth. Networking created possibilities and chances for new business and motivation is influenced by the role of family in the Surinamese female entrepreneurs' life. Motivation is also influenced by gender, in the sense that no matter what the society of Surinamese female entrepreneurs' opinion is about female entrepreneurship, negative or positive Surinamese female entrepreneurs' motivation increases because they want to show that they are capable of being a successful entrepreneur. This research shows that women who eventually made the choice to become an entrepreneur had a high level of self-efficacy.

Surinamese female entrepreneurs are mostly motivated to start an own business because of the need for independency. Both the women from Suriname as well as the one's from the Netherlands mentioned the role of their family as a positive influence on their career choice and that the family is supportive towards their choice. Female entrepreneurs in Suriname are not growth-oriented and that the female entrepreneurs in the Netherlands have lack of self-confidence when it concerns the growth of their business. The next

concept that is also discussed in this research is networking, women in the Netherlands were more active in networking than women in Suriname. But it should be said that the Netherlands is more developed on that part as well as has more organized networks which can be attended than in Suriname.

2.7.4 Similarities and Differences Between Successful Women and Men Entrepreneurs

Ingrid et al. (2006) investigated the (differential) impact of several factors on female and male entrepreneurship. These factors were derived from three streams of literature, including that on entrepreneurship in general, on female labour force participation and on female entrepreneurship. The paper dealt with the methodological aspects of investigating (female) entrepreneurship by distinguishing between two measures of female entrepreneurship: the number of female entrepreneurs and the share of women in the total number of entrepreneurs. The first measure is used to investigate whether variables have an impact on entrepreneurship in general (influencing both the number of female and male entrepreneurs). The second measure is used to investigate whether factors have a differential relative impact on female and male entrepreneurship, i.e. whether they influence the diversity or gender composition of entrepreneurship.

Findings indicate that by and large female and male entrepreneurial activity rates are influenced by the same factors and in the same direction. However, for some factors (e.g. unemployment, life satisfaction) it was found that there is a differential impact on female and male entrepreneurship. The present study also shows that the factors influencing the number of female entrepreneurs may be different from those influencing the share of female entrepreneurs. It was suggested that it is important that governments are aware of what they want to accomplish (i.e. do they want to stimulate the number of female

entrepreneurs or the gender composition of entrepreneurship) to be able to select appropriate policy measures.

Vivek et al.(2010) did a study which targeted to know if successful women entrepreneurs are different from successful male entrepreneurs. This was an explorative study of men and women entrepreneurs' motivations, backgrounds, and experiences, the data were collected in 2008-2009 from 549 respondents, or about 40 percent of the founders from randomly selected high-tech companies who were invited to participate. Because of the sampling methodology, respondents were in the same types of industries, more than half the respondents of each gender classified themselves as working in computing or some other highly technical field. The study subjects also had founded their current companies at about the same age and at around the same time.

Findings showed that these successful women and men entrepreneurs were similar in almost every respect. They had equivalent levels of education (slightly less than half earned graduate degrees), early interest in starting their own business (about half had at least some interest), a strong desire to build wealth or capitalize on a business idea, access to funding, and they largely agreed on the top issues and challenges facing any entrepreneur. The data also identified some small but potentially informative gender differences among successful entrepreneurs. For instance, motivations for starting a business differed slightly between men and women. The latter were more likely to cite a business partner's encouragement as a key incentive to take the plunge. Women also were more likely than men to get early funding from their business partners.

2.8 Conceptual Frame Work

2.8.1 Meaning of a Conceptual Framework

According to Yosef (2009) , a conceptual framework is a network, or “a plane,” of

interlinked concepts that together provide a comprehensive understanding of a phenomenon or phenomena. The concepts that constitute a conceptual framework support one another, articulate their respective phenomena, and establish a framework-specific philosophy. Conceptual frameworks possess ontological, epistemological, and methodological assumptions, and each concept within a conceptual framework plays an ontological or epistemological role. The ontological assumptions relate to knowledge of the “way things are,” “the nature of reality,” “real” existence, and “real” action. The epistemological assumptions relate to “how things really are” and “how things really work” in an assumed reality. The methodological assumptions relate to the process of building the conceptual framework and assessing what it can tell us about the “real” world.

Conceptual frameworks, according to Smyth (2004), are structured from a set of broad ideas and theories that help a researcher to properly identify the problem they are looking at, frame their questions and find suitable literature. Most academic research uses a conceptual framework at the outset because it helps the researcher to clarify his research question and aims. A conceptual framework is a tool researchers use to guide their inquiry; it is a set of ideas used to structure the research, a sort of map that may include the research question, the literature review, methods and data analysis. A conceptual framework enables the researcher to find links between the existing literature and his own research goals.

2.8.2 Difference Between a Conceptual Framework and a Theoretical Framework

Camp (2001) defined the difference between conceptual and theoretical frameworks. A conceptual framework is a structure of what has been learned to best explain the natural progression of a phenomenon that is being studied. Comparatively, theoretical

frameworks are explanations about the phenomenon .The theoretical framework dwells on time tested theories that embody the findings of numerous investigations on how phenomena occur. The theoretical framework provides a general representation of relationships between things in a given phenomenon. The conceptual framework, on the other hand, embodies the specific direction by which the research will have to be undertaken. Marriam (2001) provided additional clarity by stating that a theoretical framework provides the researcher the lens to view the world. A conceptual framework is the researcher's idea on how the research problem will have to be explored. This is founded on the theoretical framework, which lies on a much broader scale of resolution.

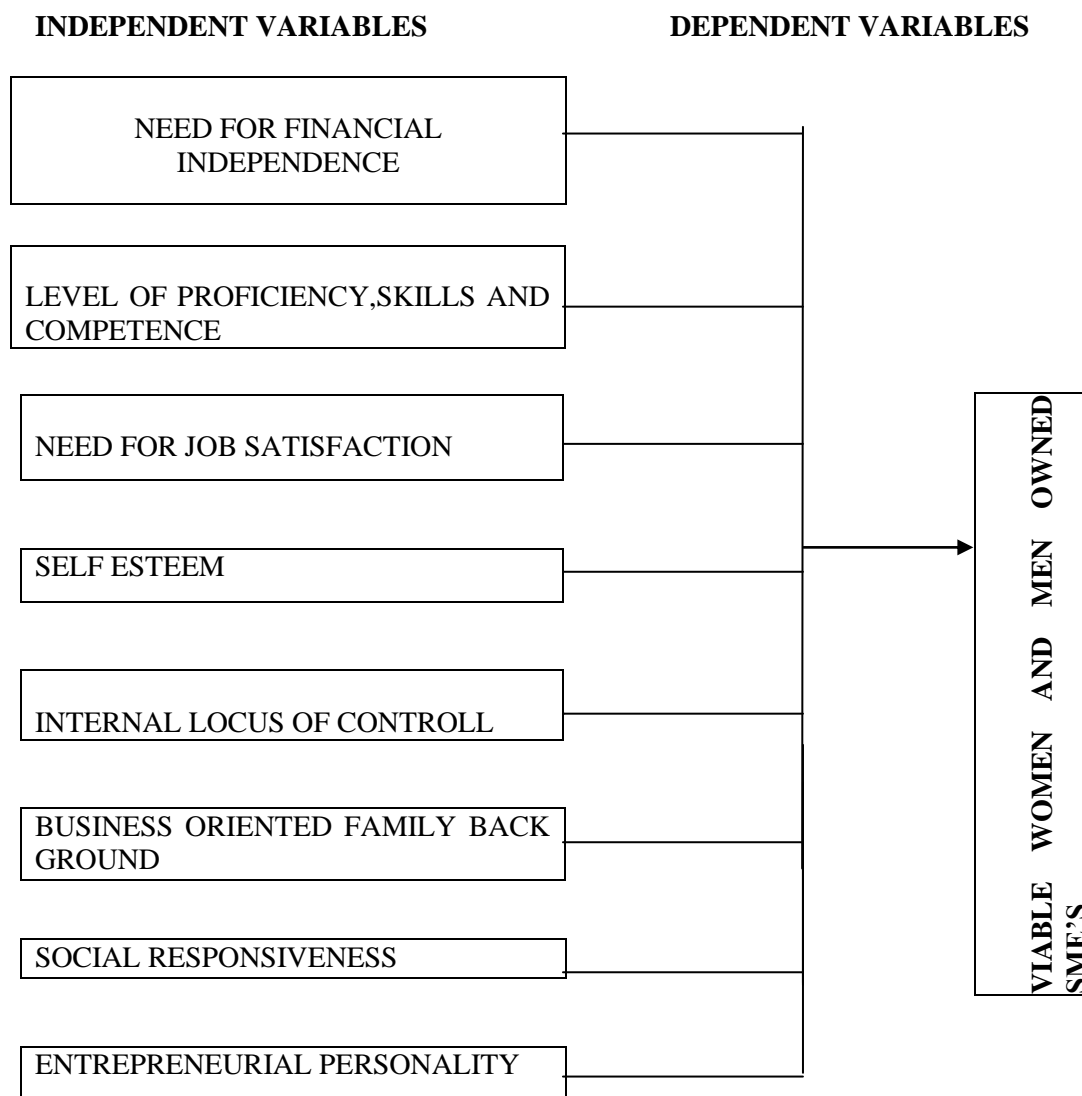


Fig 2 .Conceptual Framework

(i).Need for Financial Independence

Women are pulled into, or attracted to, entrepreneurship for many of the same “classic” reasons as men—most notably a desire for greater independence, and improved financial opportunity ,and for married Women embark on entrepreneurial ventures to free themselves from Financial Dependence from their spouses.

(ii).Level of Proficiency, Skills and Competence

Women with certain skills or competencies are most likely to be pulled into Entrepreneurial venture related to their skills as an attempt to utilize the said skills. Desire to utilize skills, competence, experience serves as an encouraging factor for womens to try something new and explore the inner talents they posses.

(iii).Need for Job Satisfaction

Job satisfaction arises from both financial and non financial factors .Both women and men are attracted to become enterpreneurs because of independence gained from being one’s own boss, personal freedom, personal satisfaction, a less rigid, more flexible lifestyle, which all of them amounts to more job satisfaction. There fore seeking more Job satisfaction might arose an intention to become an entrepreneur.

(iv) Self Esteem

Seeking social respect is a factor for one to start an entrepreneurial venture, in various communities some one who have initiated some thing unique and economically helpful to the community is respected and commended . It is an anti social behaviour to contribute nothing to the economy and as well generate nothing even for your own living.

(v) Social Responsiveness

One member of the family is likely to iniате a business venture for the purpose of providing something to do for other members who are idle . Apart from family Level to

the community at large some well wishers struggle to initiate something for those who are economically disadvantaged and employ them so that they can earn for their living.

(vi) Entrepreneurial Personality

This refers to individuals who have in born character and they demonstrate their entrepreneurial traits by forming entrepreneurial ventures , personal traits like, creativity, tolerance for ambiguity, persistence. independence, innovativeness makes them entrepreneurs.

(vii). Viability of the Business

The viability of a business is measured by its long-term survival, and its ability to have sustainable profits over a period of time. If a business is viable, it is able to survive for many years, because it continues to make a profit year after year. The longer a company can stay profitable, the better its viability. Review of literature revealed the following factors to be very essential for the business to be a viable venture. Thomson (2005) describes four components of business viability model which can be used to evaluate individual characteristics of the business venture's viability, and gives a sample of such components being Market viability which involves market size, sustainability, competitors, availability of similar products in the market, advertising and pricing.

CHAPTER THREE

3.0 MATERIALS AND METHODS

3.1 Research Design

This study can be regarded as exploratory study since the focus is on identification of Motivation factors of Kinondoni women to become entrepreneurs hence embarking on forming SMEs. Saunders et al (2007) asserts that an exploratory study is a valuable means of finding out what is happening; to seek new insights to ask questions and assess phenomena in a new light, in this exploratory study a case study approach was used. According to Kothari (2004) this approach is suitable when the study is to be concentrated on few selected cases and study them in depth to obtain valuable insights to the problem, Saunders et al (2007) details seven research strategies being experimental, survey, case study, Action research, grounded theory, ethnography and archival research, each of them can be used for exploratory, descriptive, and explanatory research. A case study strategy will be of particular interest to you if you wish to gain a rich understanding of the context of the research and the processes being enacted, but this strategy is also a complete opposite of the experimental strategy where the research is undertaken within a highly controlled context. It also differs from the survey strategy where although the research is undertaken in the context, the ability to explore and understand this context is limited by the number of variables for which data can be collected. This case study was concentrated in Kinondoni area, it catered for greater flexibility and allowed consideration for many different facets of a problem as they arised during the study.

A mixed model research was used in this study, a mixed model research technique combines quantitative and qualitative data collection techniques and analysis procedures

as well as combining qualitative and quantitative approaches at other phases of the research such as research questions generations. This means that you may take quantitative data and qualitize it, convert it into narrative that can be analysed qualitatively. Alternatively you may quantitize your qualitative data, converting it into numerical codes so that it can be analysed statistically (Saunders et al., 2004).

3.2 Area of the Study

The area of the study signifies the location or place where actual research took place. Kinondoni Municipality was used as the area of this study because it is one of the three Municipals of Dar es salaam City which is the largest city in our country with an influx of people most of them being positive that the environment will favour their entrepreneurial motives, this area was appropriate for this study.

3.3 Population and Sample

The number of respondents were a mixture of 100 women and men from various areas of Kinondoni Municipality owning micro enterprises and those owning SMEs. According to the Tanzania SMEs Development Policy, 2002, an enterprise with less than 5 employees is classified as Micro enterprise, an enterprise with 5 to 49 employees is a small enterprise, and an enterprise with 50 to 99 employees is considered as SME.

3.4 Sample and Sampling Techniques

Saunders et al (2007) defines a population as the full set of cases from which a sample is taken, according to Kothari (2004) the selected respondents constitute what is technically called a sample, the selection process is called sampling technique, and the survey so conducted is known as sample survey . The process of selecting part of the population as representative of the entire population is termed as Sampling. Random sampling ensures

that units of the sample are selected on the basis of chance and all units have an equal chance to be included in the sample. Under this study, the population was stratified into two homogeneous strata of women and men , where from each stratum 50 respondents were randomly selected hence constituting 100 respondents.

3. 5 Variables to Measure

3.5.1 Variables Motivating Formation of Viable SMEs

Variables affecting formation of viable SMEs includes need for financial independence, level of proficiency, skills and competence, need for Job satisfaction, self esteem, internal locus of controll, familiy business background, social responsiveness and entrepreneurial personality. These criteria were given to both women and men entrepreneurs through questionnaires to make their own assessment, their responses revealed the viability status of their business with respect to each criteria.

3.5.2 Assesment of Business Viability

In this study the researcher used the following criteria to asses the viability of the businesses of respective respondents : sales trends, ability of the product to fill the need gap, market size and ability of the respective entrepreneur to know the market share, number of competitors and level of competition in the market, product differentiation, ability to comply with legal compliance and tax requirement, access to business information and sources of capital, and access to other communication networks which strengthen bargaining power of the entrepreneur. These criteria were given to both women and men entrepreneurs through questionnaires to make their own assessment, their responses revealed the viability status of their business with respect to each criteria.

3. 6. Data Collection and Analysis

The questionnaire is the main instrument of the study, though some in-depth interviews was also conducted to grasp the dynamics of entrepreneurial process among SMEs. The questionnaire consisted of three parts. The first part comprised demographic information of the respondents and a set of items to measure business success. Five-point Likert scale anchored by strongly disagree and strongly agree was applied to measure the success . In the second part, the respondents were asked to rank the individual motivating factors and the last part consisted of questions tailored to assess viability of the SMEs formed. Qualitative and quantitative data were collected by using questionnaires, quantitative data were coded and uploaded in SPSS and analysed, qualitative data were quantitized where frequencies were generated for each variable and gender.

3.7 Data Analysis

According to Burns and Grove (2003) Data analysis means “the systematic organization and synthesis of research data, and the testing of research hypotheses” this process gives meaning to data collected during research . A total of 100 questionnaires were received and coded. Questionnaires were reviewed to examine the response pattern and identify abnormalities in the completion of questionnaires. Quantitative data were analysed by using SPSS.

3.8 Scale Validity and Reliability

The consistency with which the instrument measures the target attribute is termed as Reliability (Polit and Beck 2004). This means when the instruments are administered under comparable conditions they should yield the same results. According to De vos et al., 2005 reliability of an instrument can be equated to clarity, quality, stability, consistency, adequacy and accuracy of the measuring tool. De vos et al., 2005 shows four

ways of estimating reliability which is internal consistency, split-half reliability, test-retest reliability and inter-rater reliability .

Validity refers to the degree to which an instrument measures what it is supposed to measure. In other words, a valid instrument actually measures the concept it is supposed to measure (Garson, 2006). Approaches used for assessing the validity of instruments designed to collect quantitative data are content validity, Face or consensus validity, criterion-related validity and construct validity (Polit and Beck., 2004, and De vos et al., 2005).

There were different scales used for the survey questionnaires to ensure validity and reliability of scale for certain questions. Primarily an ordinal scale was used for most of questions, since most of questions were measuring knowledge, feeling, and experience. Face or consensus validity were used whereby the researcher through reasonable judgement observed that, the measure is indeed related to the construct being studied. In this study test-retest reliability was applied by administering questionnaires containing different questions asking about the same thing but in different forms and this ensured scale reliability.

CHAPTER FOUR

4.0 RESULTS

4.1 Age of Male and Female Interviewee

Results in table 4.1 below shows that among 50 Female respondents interviewed, respondents aging 31 to 50 years were 25 making 50% of all female respondents and the lowest age group was within the range of 18 to 30 years, but for Male interviewee about 56% percent were the age group within the range of 31 to 50 years while the age group with the lowest number was the 18 to 30 years range. Observation drawn from the table 2 below shows that out of the drawn sample both Male and female who were observed to be the leading active participant in SMEs were those with age range between 31 to 50 years.

Table 4.1: Age of Respondents

Age (Years)	Category	Frequency	Percent	Category	Frequency	Percent
18-30	Female	6	12.0	Male	4	8.0
31-50		25	50.0		28	56.0
51-60		14	28.0		15	30.0
above 60		5	10.0		3	6.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.2 Marital Status of Interviewee

Results from table 4.2 below indicate that 30% of women interviewed were married, and the least group were widows who were 20% of the Female sample group. For Males the leading marital category was the married category which was 80% of the total Male sample while the least being the divorced category with 6% of Male respondent.

Table 4.2 : Marital Status

Category	Category	Frequency	Percent	Category	Frequency	percent
Married	Female	15	30.0	Male	40	80.0
Single		12	24.0		7	14.0
Divorced		13	26.0		3	6.0
Widow		10	20.0		-	-
Total		50	100.0		50	100.0

Source: Field data, 2011

4.3 Number of Children in the Respondent Family

42% of all Female respondents had a number of children ranging from 4 and above followed by 36% who had less than four children, for male respondents the highest category was also a group of those who had four children and above followed by those with less than four children, 22% of female respondents had no children but for Male this group carried 14% proportion.

Table 4.3 :Number of Children in the Respondent Family

Number of children	Category	Frequency	Percent	Category	Frequency	Percent
0	Female	11	22.0	Male	7	14.0
1 to 3		18	36.0		13	26.0
4 and above		21	42.0		30	60.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.4 Respondents Level of Education

Results in table 6 reveals that the highest number of respondents for both female and male

respondents were ordinary secondary school level leavers; females were 14% while males were 30%, graduates occupied the least but one with 8% for female respondents while for male they were the least category with 10% of the sample.

Table 4.4: Level of Education

Level of Education	Category	Frequency	Percent	Category	Frequency	Percent
None	Female	3	6.0	Male	-	-
Primary education		7	14.0		3	6.0
Certificate of secondary education		14	28.0		15	30.0
Advanced level of secondary education		10	20.0		12	24.0
College certificate		5	10.0		6	12.0
Diploma		7	14.0		9	18.0
University degree		4	8.0		5	10.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.5 Respondent's number of Years in Business

Table 4.5 below shows that half of the female respondents had a maximum of four years in business, only 20% had more than 11 years, the highest class of male respondents which was 42% of the sample had less than 5 years in business and the least was 24% with more than ten years in business.

Table 4.5: Number of Years in Business

Number of years	Category	Frequency	Percent	Category	Frequency	Percent
1- 4	Female	25	50.0	Male	21	42.0
5- 10		15	30.0		17	34.0
11 and above		10	20.0		12	24.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.6. Start up Capital

Results in table 4.6 below shows that majority of both female and male respondents obtained their start up capital from their own savings and other financial institutions where 26% and 40% of female and male respondents respectively obtained their capital from their own savings, while only 24% of female and 32% of male respondents had access to capital from financial institutions.

Table 4.6: Source of Start up Capital

Source	Category	Frequency	Percent	Category	Frequency	Percent
Own saving	Female	13	26.0	Male	20	40.0
From relatives		10	20.0		8	16.0
NGOs		10	20.0		5	10.0
Financial institution		12	24.0		16	32.0
From government institution		5	10.0		1	2.0
Total		50	100.0		50	100.0

Sorce: Field data, 2011

4.7. Access to Sources of Capital

All male and female respondents declared to have experienced difficulties in obtaining capital during start up stages, 44% and 48% of female and males respectively reported to had undergone a very difficult journey until they obtained their seed capital.

Table 4.7: Availability of Sources of Capital

Response	Category	Frequency	Percent	Category	Frequency	Percent
Not Difficult	Female	-	-	Male	-	-
Less difficult		-	-		-	-
Neutral		-	-		-	-
difficult		28	56.0		26	52.0
very difficult		22	44.0		24	48.0
Total		50	100.0		50	100.0

Sorce: Field data, 2011

4.8 Financial Independence

Half of female respondents strongly agreed that they had to embark on SMEs for the main purpose of looking for financial security or independence while only 44% of male respondents strongly agreed. However majority of the respondents agreed that looking for financial independence was the driving force to embark on SMEs. It is also shown that 4% and 6% of both female and male respondents respectively disagreed with this notion.

Table 4.8: Need for Financial Independence

Response	Category	Frequency	Percent	Category	Frequency	Percent
strongly disagree	Female	2	4.0	Male	3	6.0
Disagree		-	-		7	14.0
undecided		3	6.0		-	-
agree		20	40.0		18	36.0
strongly agree		25	50.0		22	44.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.9. Business Oriented Family Back ground

Table 4.9 below indicate that 40% of female respondents had business background from their families which practiced business activities while 44% of males reported the same, more than half of both female and male respondents did not have family business background.

Table 4.9 : Business Oriented Family Back ground

Response	Female			Male		
		Frequency	Percent		Frequency	Percent
Yes		20	40.0		22	44.0
No		30	60.0		28	56.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.10. Job Satisfaction

Results shows that 66% of male respondents agreed that they engaged in SMEs for the purpose of looking for job satisfaction but only 28% of female respondent asserted the same, 64% of female respondent disagreed, while only 24% of male respondent disagreed.

Table 4.10 : Need for Job Satisfaction

Level of Agreement	Category	Frequency	Percent	Category	Frequency	Percent
strongly disagree	Female	22	44.0	Male	6	12.0
Disagree		10	20.0		6	12.0
Neutral		4	8.0		5	10.0
Agree		2	4.0		14	28.0
Strongly agree		12	24.0		19	38.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.11. Need for Self Esteem

According to table 4.11 below majority of the people interviewed asserted that need for self esteem was a motive for them to embark on SMEs comparatively Male respondent supported this phenomenon to a large extent compared to females where by 82% of respondent agreed compared to 60% of female respondent. 38% of female respondent disagreed while 18% of females disagreed.

Table 4.11: Need for Self Esteem

Level of agreement	Category	Frequency	Percent	Category	Frequency	Percent
strongly disagree	Female	10	20.0	Male	5	10.0
Disagree		9	18.0		4	8.0
Neutral		1	2.0		-	-
Agree		10	20.0		11	22.0
Strongly agree		20	40.0		30	60.0
Total		50	100.0		50	100.0

Sorce: Field data, 2011

4.12. Internal Locus of Control

Need for internal locus of control was shown by 96% of Male respondents as a factor which motivated them to form SMEs, 76% of female respondents also agreed while 18% of them disagreed. 4 % of Male respondents disagreed.

Table 4.12: Need for Internal Locus of Control

Level of agreement	Category	Frequency	Percent	Category	Frequency	Percent
strongly disagree	Female	5	10.0	Male	-	-
Disagree		4	8.0		2	4.0
Neutral		3	6.0		-	-
Agree		15	30.0		13	26.0
Strongly agree		23	46.0		35	70.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.13. Entrepreneurial Personality

Respondents were asked to evaluate their traits, questions testing entrepreneurial traits

were given to them. 90% of Female respondents responded positively, while 62% of Male respondents responded positively, 30% of Males responded negatively, 10% and 8% of female and male respectively were undecided.

Table 4.13: Entrepreneurial Personality

Level of agreement	Category	Frequency	Percent	Category	Frequency	Percent
strongly disagree	Female	-	-	Male	1	2.0
Disagree		-	-		14	28.0
Neutral		5	10.0		4	8.0
Agree		25	50.0		18	36.0
Strongly agree		20	40.0		13	26.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.14. Participation in Family/Parent's Business

70% of female and 60% of male respondents had no opportunity to participate in their parents or guardian businesses, while 30% and 40% of male respondents had an opportunity to participate in their parents or guardian businesses.

Table 4.14: Participation in Family/Parent's Business

Response	Female			Male		
		Frequency	Percent		Frequency	Percent
Yes		15	30.0		20	40.0
No		35	70.0		30	60.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.15. Social Responsiveness

Only 12% of Female and 44% of male respondent agreed that other social needs like employing others who have no economic activities was one of the motives which made them to engage in SMEs, 62% of female and 56% of male respondent disagreed. 26% of female respondents were undecided

Table 4.15: Social Responsiveness

Level of agreement	Category	Frequency	Percent	Category	Frequency	Percent
strongly disagree	Female	16	32.0	Male	13	26.0
Disagree		15	30.0		15	30.0
Neutral		13	26.0		-	-
Agree		3	6.0		12	24.0
Strongly agree		3	6.0		10	20.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.16. Sales Level

With regards to sales trends 72% of female and 74% of male respondents asserted that sales levels were increasing while 6% and 12% of female respondents were experiencing a decrease in sales levels. 22% of female and 14% of male respondents experienced a steady sales level on average.

Table 4.16: Description of Sales Level

Response	Female	Frequency	Percent	Male	Frequency	Percent
Increasing		36	72.0		37	74.0
Steady		11	22.0		7	14.0
Decreasing		3	6.0		6	12.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.17. Business Competitors

Table 4.17 shows that 40% of female and 36% of male respondents ascertained to have more than 10 competitors while 60% and 64% ascertained to have less than 10 competitors in their business locations.

Table 4.17: Number of Competitors

Response	Female			Male		
		Frequency	Percent		Frequency	Percent
More than 10		20	40.0		18	36.0
Less than 10		30	60.0		32	64.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.18. Convenience of Tax Requirements

Table 4.18 shows that, 72% of male and 70% of female respondents declared that tax requirements were not convenient; however 28% of female and 30% of male interviewee agreed that tax requirements were manageable.

Table 4.18: Convenience of Tax Requirements

Response	Female			Male		
		Frequency	Percent		Frequency	Percent
Yes		14	28.0		15	30.0
No		36	72.0		35	70.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.19. Awareness of Legal Requirements relating to Business

80% of female and 72% were not fully informed of all legal requirements with regards to their business hence they were not sure if they have fulfilled all legal requirements important for them to operate, only 20% of female and 28% of male respondent deserted to be aware of the necessary legal requirements for them to operate their businesses.

Table 4.19: Awareness of Legal Requirements with Regard to Business Activities

Response	Female	Frequency	Percent	Male	Frequency	Percent
Yes		10	20.0		14	28.0
No		40	80.0		36	72.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.20. Feedback Concerning with Customer Satisfaction

Less than half of all respondents were not getting feedback from their customers as to what extent does their product satisfy their customers' needs this was 54% for females and 60% for males, of all the female and male respondents, 46% and 40% respectively were receiving feed back about their customers' satisfaction.

Table 4.20: Feedback of How Customers are Satisfied with Services or Products

Response	Female	Frequency	Percent	Male	Frequency	Percent
Yes		23	46.0		20	40.0
No		27	54.0		30	60.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.21. Access to Information on Sources of Credit

Results under table 4.21 below indicates that 84% and 68% of female and male respondents respectively declared to have no enough details as to where they can obtain credit to sustain their businesses, only 16% and 32% asserted to have information on where they can source some loans to sustain their business.

Table 4.21: Access to Information on Sources of Credit

Response	Female	Frequency	Percent	Male	Frequency	Percent
Yes		8	16.0		16	32.0
No		42	84.0		34	68.0
Total		50	100.0		50	100.0

Sorce: Field data, 2011

4.22. Access to Communication Networks which Strengthens Bargaining Power

According to Table 4.22, only 14% of female and 42% of male respondents had access to communication networks assist them to be timely informed about the market so that they can correctly bargain by considering important and recent changes in the market. 86% and 58% of female and male respondents respectively, this limitation seems to be serious to women compared to men.

Table 4.22: Access to Communication Networks Strengthening Bargaining Power

Response	Female	Frequency	Percent	Male	Frequency	Percent
Yes		7	14.0		21	42.0
No		43	86.0		29	58.0
Total		50	100.0		50	100.0

Source: Field data, 2011

4.23. Skills and Experience Relating to the Type of Business Undertaken

More than half of the respondents interviewed were engaged in activities relating to their

skills, 52% of male respondents and 52% female respondents agreed to have skills relating to their type of business activities, however a considerable number of respondents were involved in other activities which didn't need their expertise.

Table 4.23: Skills and Experience Relating to the Type of Business Undertaken

Response	Category	Frequency	Percent	Category	Frequency	Percent
Strongly disagree	Female	4	8.0	Male	9	18.0
Disagree		11	22.0		7	14.0
Undecided		9	18.0		8	16.0
Agree		12	24.0		11	22.0
Strongly agree		14	28.0		15	30.0
Total		50	100.0		50	100.0

Source: Field data, 2011

CHAPTER FIVE

5.0 DISCUSSION

5.1 Introduction

This chapter provides the discussions and interpretations of the results of this study, it also discusses the conclusion drawn as well as the limitations of the study followed by suggestions and propositions for future research.

5.2 Discussion

The purpose of the study, mainly was to examine the research objectives , which included ; firstly, to identify individual factors motivating formation of viable women owned small and medium enterprises versus men owned small and medium enterprises; secondly to asses and compare the prevallence of factors affecting formation of viable women owned small and medium enterprises and finally to compare the viability of women owned small and medium enterprises against male owned small and medium enterprises. In order to examine the research objectives, the following study questions were developed:

- i. What factors affects formation of viable women and Men owned small and medium enterprises?
- ii. What is the prevalence of factors motivating formation of viable women owned SMEs as compared to men owned SMEs?
- iii. Does the viability of women owned SMEs differ from those of men owned SMEs?

To answer the research questions, an extensive review of the literature was undertaken highlighting various theories, and recent work in the area of entrepreneurship . Interviews with various people particpating in SMEs were conducted and their views and personal assessment were captured and analysed, demographic information of interviewee were

captured as well for purposes of establishing important personality patterns of SMEs owners. The literature reveals that there are multiple factors that motivates both women and men to form viable SMEs which therefore makes it a complex phenomenon to study and its significance can not be overemphasised because of its impact on the number and viability of the formed SMEs. The field of entrepreneurship have been studied in various settings however, no study directly addressing Individual factors motivating formation of viable women owned SMEs versus Men owned SMEs in Kinondoni setting was found.

A number of studies previously conducted in the field of women entrepreneurs were related to traits of successful women entrepreneurs, effects of gender in new venture performance, problems facing womens in forming new ventures and continued operations and similarities and differences between successful women and men entrpreneurs as follows; Entrepreneurial intentions of young well educated people (Harbi, 2009), effects of gender in new venture performance, Kepler and shane (2007), problems facing womens in forming new ventures and continued operations, Das(2001), differences and similarities between surinamese female entrepreneurs, Chocktan (2009), impacts of several factors on female and male entrepreneurs, Ingrid et al,(2006), entrepreneurial traits of successful women, Vivek et al, (2010). However, none of these studies analyses and compares the factors motivating formation of viable women and men owned smes , the prevalence of the said factors affecting the two groups as well as the viability of the formed women and men owned SMEs.

5.2.1 Answers to the Research Questions

Basing on the results of this study, the following are the answers to the research questions:

Research question 1: What factors affects formation of viable women and Men owned small and medium enterprises?

As cited in the reviewed literature many researchers appreciated the need for financial independence, level of proficiency, skills and experience, need for job satisfaction , business family orientation, social responsiveness, entrepreneurial traits, internal locus of control and self esteem as the prominent factors motivating formation of viable SMEs , this relevance is also supported by the interviewed respondents as 90% of female respondents agreed that they had to embark on SMEs for the main purpose of looking for financial security or independence while only 80 % of male respondents agreed. 4% and 6% of both female and male respondents respectively disagreed with this notion while the rest were undecided. This finding is in line with the assertion that need for financial independence is one of the individual females and males motives for forming SMEs.

More than half of the respondents interviewed were engaged in activities relating to their skills, 52% of male respondents and 52% female respondents agreed to have skills relating to their type of business activities, however a considerable number of respondents were involved in other activities which didn't need their expertise. As far as the Need for Job satisfaction is concerned it was noted that 66% of male respondent agreed that they engaged in SMEs for the purpose of looking for job satisfaction but only 28% of female respondent asserted the same, 64% of female respondent disagreed, while only 24% of male respondent disagreed. Majority of the people interviewed asserted that need for self esteem was a motive for them to embark on SMEs , where by 82% of male respondents agreed compared to 60% of female respondent. 38% of female respondent disagreed while 18% of females disagreed. This together asserts that need for self esteem is one of the individuals motive to form viable SMEs.

Previous participation of families in which respondents were raised seemed to have influenced them to form SMEs, 40% of female respondents reported to have a business

background from their families which practiced business activities while 44% of males reported the same, however more than half of both female and male respondents did not have family business background.

12% of Female and 44% of male respondent agreed that other social needs like employing others who have no economic activities was one of the motives which made them to engage in SMEs, 62% of female and 56% of male respondent disagreed. 26% of female respondents were undecided. This results indicate that social responsiveness is one of the individual factors motivating formation of viable SMEs.

Need for internal locus of control is shown by the results of this study to have motivated respondents to form SMEs where 96% of Males responded positively, 76% of female respondents also agreed while 18% of them disagreed, 4 % of Male respondents disagreed. entrepreneurial personality portrayed by female Respondents is by 90%, while 62% of Male responses portrayed the same , 30% of Males responded negatively, 10% and 8% of female and male respectively were undecided, the results are similar to the findings of the study done by Das, (2001) which revealed that the most common success reason given by women interviewed were personal qualities such as hard work and perseverance.

Research question 2: What is the prevalence of factors motivating formation of viable women owned SMEs as compared to men owned SMEs?

Study results indicate that some of the identified individual motivating factors seems to be more pevallent on women than men as detailed here under;

Results reviels that more women were motivated to form SMEs for purposes of seeking financial independence, 90% of female respondents agreed compared to 80% of male

respondents. Need for job satisfaction shows to be more prevalent to men as against women, 68% of the male respondents agreed to have been influenced by the need for job satisfaction while only 28% of female respondents reported the same. Need for internal locus of control have a paramount effect on male entrepreneurs than female entrepreneurs, it was noted that 96% of male respondents were influenced by this need while only 76% of female respondents asserted the same. Social responsive motives were very less influential to females compared to men, only 12% of female respondents indicated to have been influenced by this motive while 44% of male responded positively.

Business family background affected both males and females almost in the same way where 40% and 44% of female and male respondents respectively reported to have experienced family business activities and this had motivated them as well to form their own SMEs. Need for self esteem were noted to be more influential to male respondents compared to female respondents, results of this study indicated that 82% of male respondents were motivated by the need for self esteem while 60% of female respondents reported the same. this factor is indicated here to have more influence on men than women, and this could be resulting from traditional perception that men are expected to be stronger than women thus the proportionate effort for respect, recognition and locus of control is more evidently seen in men than women.

Research question 3: Does the viability of women owned SMEs differ from those of men owned SMEs?

The viability of a business is measured by its long-term survival, and its ability to have sustainable profits over a period of time. If a business is viable, it is able to survive for many years, because it continues to make a profit year after year. The longer a company

can stay profitable, the better its viability. Review of literature revealed the following factors to be very essential for the business to be a viable venture. Thomson (2005) describes four components of business viability model which can be used to evaluate individual characteristics of the business venture's viability, and gives a sample of such components being Market viability which involves market size, sustainability, competitors, availability of similar products in the market, advertising and pricing. In this study the assessed variables targeting to check the viability of the formed SMEs were level of competition, sales levels or trends, convenience of tax requirements, awareness of other legal compliance, feedback from customers, access to business communication networks, and sources of credit.

Results of this study shows that SMEs whose owners experienced increasing sales trends were 72% for female owned SMEs and 74% for male owned SMEs, as far as business competition is concerned it was noted that 60% and 64% of both males and female owned SMEs had less than 10 competitors, the outcomes of the tests of these two viability factors showed that more than half of the sampled businesses were reflecting sustainability. It can be also noted from the results of this study that convenience for tax requirements and compliance to other legal requirements have a serious impact on the viability of a business, 72% and 70% of both male and female respondents respectively showed that tax requirements were not convenient to them, results revealed that 80% of female and 72% of male respondents were not fully informed about other legal requirements concerning their businesses, these two factors on the other hand appraised the viability of more than half of the formed SMEs to be very suspicious. This is due to the fact that both tax requirements and regulations from business regulating bodies do not easily or readily reach small and medium entrepreneurs but rather they are information which demands individuals' efforts to look for.

The level of Access to information on sources of credit were assessed , it was noted that 84% of female and 68% of males had no access to information concerning credit facilities, only 14% of female and 42% of male respondents had access to communication networks, observation on these two results indicates that less access to information regarding credit facilities and other business communication networks could impact negatively the sustainability of the formed SMEs. This observation is caused by the high cost of information and communication technology and lack of business data base which could provide a network or establish a link among business men and women to interact easily, the results signify that there are very few SMEs well wishers who have come up and endeavour to assist SMEs with credit facilities.

54% for females and 60% for males were not getting feedback from their customers as to what extent does their product satisfy their needs , only 46% and 40% of all the female and male respondents respectively were receiving feedback about their customers' satisfaction from their products. Results over this factor reveal a suspicious viability of their businesses because feedback provides room for quality of services and products improvements. Literature and results of this study implies that the viability factors for both women and men owned SMEs are the same as both operate on the same environment and the impacts of each factor is the same regardless of whether the formed SME is a female owned or a male owned. A study done by Vivek et al, (2010) which targeted to know if successful women entrepreneurs are different from successful male entrepreneurs found that successful women and men entrepreneurs were similar in almost every respect.

5.2.2 Analysis of Demographic Information

Demographic variables analyzed were age, marital status, number of children and level of education. The number of small and medium entrepreneurs interviewed according to the

age of the owners, results indicated the leading age group to be the range between 31 to 50 years for both women and men, this age range is the major labour force in our country which is not enough absorbed into formal employment given the high level of unemployment in Tanzania, the probable reason of most of them to be seen in the SMEs sector is the struggle to create employment for them selves after failing to secure employment from the Government and in the private institutions. The age range from 51 and above seemed to have few males and females, the reason could be that most of them are either those who managed to secure formal employment and retiree who have no business undertakings , lack of preparedness and experience to embark on SMEs could also be hindering this class to participate in initiating SMEs.

As far as marital status as well as number of children in the family is concerned results of the study shows that a high number of females and males who are married being highly participating in the formation of SMEs rather than those who are not married , 30% and 80% of Female and Male respondents respectively were married followed by 24% and 14% of Female and Male respondents who were not married, 26% of female respondents and 6% of Male respondents were divorced, 20% were widows . This study results indicates that family with number of children ranging from four and above to be highly participating in SMEs formation, the reason could be efforts to meet both family needs and future expectations of their children which require additional financing sources which motivate them to participate in formation of SMEs. Table 4. Reveals that respondents with degree level and above were the least category in number with 4% and 5% for female and males respectively, the highest group was the secondary school level with 14% and 15% for female and males respectively. This observation signifies the ability of our curriculums to mold graduates to employ themselves but rather prepares them for formal employment. Probably there could be the perception that the higher the level of education the higher the

expectation to be employed in the Public or private sector rather than initiating your own business undertaking. Start up capital is also the problem hindering this group to initiate business undertakings. Results also shows that 26% and 40% of both female and male respondents respectively obtained their start up capital from their own sources while 24% and 32% obtained their seed capital from financial institutions, the number of those who managed to secure loans from financial institutions is lower compared to those who made their own saving to accumulate their seed capital, this could be indicating compliance difficulties for one to be eligible for a credit facility.

CHAPTER SIX

6.0 CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

In identifying the individual factors motivating formation of viable women owned SMEs versus Men owned SMEs, personal administration of questionnaire to the respective owner managers was adopted whereby a 5 point likert rating scale was used to selected questions that were used to to identify the individual factors. This study employed both qualitative and quantitative methods in the analysis of the collected data to reach the decision on the relevance of the identified individual motivating factors.

The study findings indicated that; need for financial independence, Level of proficiency , skills and experience, need for job satisfaction, business family orientation, social responsiveness, entrepreneurial traits, need for internal locus of controll, and need for self esteem motivates formation of both women and men owned SMEs. The research findings are in agreement with the reviewed literature whereby previous studies indicated that; need for financial independence, Level of proficiency, skills and experience, need for job satisfaction, business family orientation, social responsiveness, entrepreneurial traits, need for internal locus of controll, and need for self esteem motivates formation of both women and men owned SME.

6.2 Recommendations

With reference to the study findings and the cited literature the researcher recommends that:

1. Need for financial independence seemed to have influenced many women than men to form viable SMEs , this was mainly due to the need of freeing themselves from financial dependence on their spouses as well as the need to gain social esteem, this signifies that the old social norms over the roles of women which mainly focuses only on bearing and taking care of children is still persistent, recommendations are given to various social organisation to continue sensitizing the community on the need to empower women participation in business as a move to improve family economic status.

2. The leading age group which was observed to be mostly participating in entrepreneurship was the youths, this group is vulnerable to an employment problem, it is here recommended that the Government should increase the efforts to sensitize this group to form jointly owned SMEs and closely monitor their progress and assist them by granting them with start up capital, technical guidance and impart them with business skills to ensure viability of the formed businesses.

3. Level of proficiency , skills and competence proved to be a motivational factor for both women and men forming SMEs, therefore policies targeting to improve small and medium entrepreneurs should target to empower women and men with identified proficiencies , skills and competence especially during start ups and specifically with start up capital which seems to be the prominent set back so that they are assisted to fulfill their desires of utilizing their skills.

4. In this study it is revealed that level of proficiency ,skills , experience motivates both women and men to form SMEs , various learning institutions plays a big role in imparting knowledge of various skills and proficiency , however knowledge of entrepreneurship skills have not been imparted to a greater extent by the same institutions,

it is here recommended that the government should direct the preparation of various higher education curriculums to be set in such a way that they prepare graduates to employ themselves by providing entrepreneurship skills and be capable of preparing their own business plans which will eventually be successfully launched.

5. This study identified that both women and men demonstrates entrepreneurial traits and this is connected with their motivation to form viable SMEs however they encounter start up problems while the start up capital issue dominating the problems, it is recommended that the Government should regulate the conditions set by banks and other financial institutions to be simple and enable more people to secure loans and other credit facilities vital for financing their business activities especially women who are showing outstanding performances in their business undertakings.

6. It is noted that the viability of the SMEs formed by both men and women is threatened by access to business information which can mitigate the risk of competition and availability of markets for products and services produced by the said SMEs, it is recommended that :

a. The cost of mobile phones communication should be lowered and transportation routes within our country continue to be improved to ensure that they don't deter interaction between entrepreneurs in the market, our country is a large market which can consume most of our home country entrepreneurial products and services, but communication net works hinders fast movement of products from high supply to locations with high demand.

b. There should be a National database accessible by any one who intends to get information on various business operators, services and products to simplify availability of information on various commodities and services provided and details of providers of the

same so that SMEs can easily interact as some of them produces in puts which can be consumed by other SMEs.

7. It has also been identified that viability of the formed SMEs is undermined by non compliance to various statutory or legal requirements including complying to the tax requirements and other regulations, therefore it is recommended that :

a. The tax system should enable small and medium entrepreneurs to easily comply by easily providing full information on tax regulations, high publicity is needed through various communication media to ensure that even small and medium business entities located in remote arears from the major cities of the country are reached.

b. Regulatory bodies regulating various types of business activities should come up and publicize all regulations making them readily available to simplify compliance instead of various initiators of business struggling to find out what are they supposed to comply with examples. Some business women and men engaged in food production many of them were seen to be un aware of many best practices and hygiene issues like acceptable materials for food packaging etc. these people should easily access directives to be monitored in .

6.3 Limitations of the Study

The followings are the limitation to this study:

- (a) Lack of data, to substantiate claims made by interviewees
- (b) The nature and size of the sample, the study focuses only on the SMEs in Kinondoni Municipality . This may not be a representative sample to warrant generalization of the findings; however it serves as an eye opener for further study.
- (c)Difficult in tracing SMEs as majority are located in residential area.

6.4 Areas for Further Research

Further research is suggested in the following area:

- a) A detailed study is required to determine the real causes for the failure of many entrepreneurs in Tanzania and a low rate of SMEs formation , despite the legal regulatory and policy reforms that are being undertaken since 1980s as well as the sensitization done by various organisations.
- b) A study to investigate the impact of cultural and gender aspects to growth of SMEs. The study should attempt to establish linkage with enterprise growth with culture and gender of the entrepreneur.

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APPENDICES

Appendix 1: Questionnaires for male and female entrepreneur

Questionnaire on the Assessment of individual factors motivating formation of viable women owned small and medium enterprises versus men owned small and medium enterprises: a case of Kinondoni municipality.

My name is Cassian M. Faustin, a Master's Student of Business Administration, Open University of Tanzania.

I am interested in carrying out a study that aims at identifying the of individual factors motivating formation of viable women owned small and medium enterprises versus men owned small and medium enterprises: with reference to Ilala Municipality in Dar es salaam Region.

This study is part of requirements for the award of Master in Business Administration. In this regard, I would like to emphasize that the research is purely academic and under no circumstances should it be viewed otherwise. All the information given and views expressed shall be treated as confidential. Names of individual and institutions are not required.

The findings will be useful both to the entrepreneurs, academicians, policy makers and non governmental institutions and the public at large. Feed back on the findings will be made available to interested individuals or institutions.

PART A**SOCIAL AND DEMOGRAPHIC INFORMATION OF THE ENTREPRENEURS.**

The purpose of this section is to capture the general social and Demographic information of the individual entrepreneurs. Please I kindly request you to respond to the following questions Please tick accordingly;

1. Age in years (Please tick your age group)

18-30	31-50	51-60	Above 60

2. Your Gender

Male	Female

3. Marital status (Please tick your relevant status)

Married	Single	Divorced	Widow

4. Number of children

0	1 to 3	4 and above

5. Highest level of education

None	Primary level of education	Certificate of Secondary education	Advanced level of secondary education	College certificate	Diploma	University Degree	Masters Or above

6. What is your level of Professional Skills

.....

7. Number of years in business

1-4	5-10	11-15

8. Where did you obtain the start up capital?

Own saving	From Relatives	From Suppliers	NGO	From Financial institution	From Government institution

9. How easy is it to obtain capital?

Not difficult	Less difficult	Neither simple nor difficult	Difficult	Very difficult

PART B: INDIVIDUAL MOTIVATING FACTORS.

The purpose of this section is to examine individual motivating factors necessary for the formation of a viable SME, Please you are requested to respond to the statements provided under sub section B.1 to B.8 below by ticking (✓) only one most appropriate number which actually relates to your feelings.

B.1. NEED FOR FINANCIAL INDEPENDENCE.

This part examines the Need for financial Independence as a motivating factor for the formation of a viable SME, You are kindly requested to express your level of agreement or disagreement by ticking the appropriate number for each expression in the table below:

No.	Statement	Strongly Disagree 1	Disagree 2	Undecided 3	Agree 4	Strongly Agree 5
10.	You are a person who strongly desire to improve financial ability and who endeavors to look for new financial opportunities.					
11.	You are a person who have unsatisfied needs and you need to fill the gap by following your financial planning which assures you a continuing cash flow to fill the need gap.					
12.	You are more satisfied by getting your bills settled by your own sources instead of being guaranteed by other generous sources.					
13.	You are current liquid assets are less compared to your liabilities.					
14.	You are struggling to have enough worth so that you don't be forced to work only for basic necessities.					

15. Why did you decide to start your own business?

.....

.....

.....

16. Apart from running your own business, are you employed somewhere else?

.....

.....

17.(a) If not employed anywhere else, have you ever been employed somewhere?

.....

.....

(b) Why did you leave your previous employment?

.....

.....

18. Did your Parents or Guardians own any business? (Please tick)

Yes		No	
-----	--	----	--

B.2. LEVEL OF PROFICIENCY, SKILLS AND COMPETENCE.

This part examines the Level of proficiency, skills and competence as motivating factors for the formation of a viable SME, please express your level of agreement or disagreement by ticking the appropriate number for each expression in the table below:

S/ N	STATEMENT	STRONGLY DISSAGREE 1	DISAGREE 2	NEUTRAL 3	AGREE 4	STRONGLY AGREE 5
15	You have had gained enough skills and experience relating to the type of business you are doing.					
16	You had have education and experience relevant to starting and managing a business.					
17	Avenues for training to gain skills and development are available and accessible.					

18. Have you ever received any other training in vocational skills?

Yes		No	
-----	--	----	--

19. If yes explain what type of training you received.

.....

.....

20. What is your area of professional specialization?

.....

.....

21. Do you have any other special competencies? (Please tick)

YES	NO

B.3. NEED FOR JOB SATISFACTION

The purpose of this part is to establish the relationship between the need for job satisfaction and viability of the business, please express your level of agreement or disagreement by ticking the appropriate number for each expression in the table below:

NO .	STATEMENT	STRONGLY DISAGREE 1	DISAGRE E 2	NEUTRAL 3	AGREE 4	STRONGLY AGREE 5
23.	You are a person who strives for a job which mostly rewards you financially.					
24.	You are a person who strives to have a job which gives you high regard and admiration.					
25	You are a person who strives to have a job in which you fill to be affiliated.					
26	A better working environment is the first thing you would want to attain in your job.					

B.4. NEED FOR SELF ESTEEM.

This part examine the relationship between the need for self esteem and viability of the business, please express your opinion by ticking the appropriate number for each expression in the table below:

No.	STATEMENT	STRONGLY DIS AGREE 1	DIS AGREE 2	NEUTRAL 3	AGREE 4	STRONGLY AGREE 5
27	You are a person who aspires to attain social recognition					
28	You believe social recognition can be derived from your work and desire towards working.					

B.5. INTERNAL LOCUS OF CONTROLL.

This part examine the relationship between the need for internal locus of control and viability of the business, please express your opinion by ticking the appropriate number for each expression in the table below:

SN	STATEMENT	STRONGLY DIS AGREE 1	DIS AGREE 2	NEUTRAL 3	AGREE 4	STRONGL Y AGREE 5
29	You are a person who desires to personally initiate things and be independently responsible for the results.					
30	You always believe that your actions will mostly determine the outcomes of your undertakings.					
31	For better outcomes you believe that your personal resources, skills and control are important inputs.					

B.6. BUSINESS ORIENTED FAMILY BACKGROUND.

This part examines the relationship between Business orientation background and viability of the business; please express your opinion by ticking the appropriate number for each expression which relates to your background in the table below:

S N	STATEMENT	STRONGLY DIS AGREE 1	DIS AGREE 2	NEUTRAL 3	AGREE 4	STRONGLY AGREE 5
32	You are a person who was born in a family occupied with business activities.					
33	Your family gave you an exposure to business undertakings.					
34	You are a successor of your family business.					

35. Did your family participate in business activities?

YES	NO

36 .If yes, Explain what type of business?

.....

.....

37.Did you actively participate in your family business?.

YES	NO

B.7 . SOCIAL RESPONSIVENESS.

This part examines the relationship between social responsiveness and viability of the business; please express your opinion by ticking the appropriate number for each expression in the table below:

SN	STATEMENT	STRONGLY DIS AGREE 1	DIS AGREE 2	NEUTRAL 3	AGREE 4	STRONGLY AGREE 5
38.	You are a person who is ready to sacrifice some of your earnings for the benefits of others who are economically disadvantaged.					
39.	Your are a person who is actively participating in the efforts to increase the number of employment in the community by creating job opportunities for unemployed people.					

B.8. ENTREPRENEURIAL PERSONALITY.

This part examines the relationship between entrepreneurial personality and viability of the business; please express your opinion by ticking the appropriate number for each expression in the table below:

SN	STATEMENT	STRONGLY DIS AGREE 1	DIS AGREE 2	NEUTRAL 3	AGREE 4	STRONGLY AGREE 5
40.	You are a person who takes responsibility to use own judgment as opposed to blindly following assertions of others.					
41.	You are a person who is ready to pursue an opportunity which did not exist before and be ready to accept the outcome from it.					
42.	You are a person who is ready to exert more effort for a greater length of time, persist through set backs, accept higher goals and develop strategies for a task and accept responsibility on the outcome.					

PART. C. VIABILITY OF SMES

The purpose of this Part is to assess the viability of existing SMEs.

I kindly request your response to the questions below. **(Please tick (√))**

43. Does your product or service actually fill the need gap or solve a specific problem?.

YES	NO

44. If YES please explain the unique solution which your product or service provide to the community

.....

.....

45. How can you describe your sales level? (Please tick)

Increasing	Steady	Decreasing

46. How big is your market in terms of sales?

47. What percent of the market size as described above can you capture?.....

48. How many competitors do you have in your location?

(Please tick)

More than 10	Less than 10

49. Can you differentiate your product or services from those of other providers?

YES	NO

50. If Yes how Can you differentiate your product or service from others

.....

.....

SN	STATEMENT	YES	NO
51.	Does the cost of legal compliance affect growth of your business?		
52.	Do you think that Tax requirements are manageable and they don't threaten your business sustainability?		
53.	Are you fully informed of all legal requirements with regard to your business activities?		
54.	Does your sales level increase as time goes on?		
55.	Does the number of your customers increase as time goes on?		
56.	Do you get feedback of how customers are satisfied with your services or products?		
57.	Do you think that more than half of your customers are satisfied with your services or products?		
58.	Do you have enough information on sources of credit to sustain your business?		
59.	Do you have access to communication networks which you think strengthens your bargaining power?		