# Entrepreneurship Mentoring Programme and Market Performance: Evidence from SIDO Supported Micro and Small Enterprises in Arusha, Tanzania

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*Abstract: The overall market performance of Micro and Small Enterprises in Tanzania has been observed to be poor because entrepreneurs are unable to compete, identify opportunity, identify the needs of customers and produce what is needed and failure to retain and satisfy their customers. As a result, the graduating rate of micro to small, medium and large enterprises in Tanzania is absolutely very low. This high failure rate is mainly caused by lack competent entrepreneurs who can compete, explore market environment, identify and exploit business opportunities. The purpose of this study was to establish the association between entrepreneurship mentoring programme and Small Industrial Development Organization (SIDO) supported Micro Small Enterprises' (MSEs) market performance in Arusha Municipality. The study used cross-sectional research design. Data were collected using survey questionnaire on 230 sampled Small Industrial Development Organization (SIDO) supported MSEs and analysed by using Structural equation model (SEM). The results revealed that there was positive relationship between entrepreneurship mentoring programme and SIDO supported MSEs market performance. The study contributes in providing empirical evidence to   body of knowledge and provides an insight to policy makers on the role of entrepreneurship mentoring programme in supporting or facilitating performance of MSEs in the market. The study concluded that overall entrepreneurship mentoring programme has strong positive association with MSEs market performance. The study recommended that SIDO and other institutions offering entrepreneurship training programmes to establish incubation Centres that will incubate MSEs after graduating from entrepreneurship trainings so that they can be well mentored and monitored.*

*Keywords: Entrepreneurship mentorship programme, Market performance, Micro and Small Enterprises, Small Industry Development Organization (SIDO)*

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## 1. Introduction

Micro and Small Enterprises (MSEs) are considered to be the engine of the global economic growth and they constitute 90% of the economies through their contribution in the GDP, job creation, poverty reduction, and per capita income (Rao & Joshi, 2011). In India, MSEs contribute about 45% of the manufacturing output and 40% of the total export of the country, contributed to 6.2%, 22.3%, 67% and 70% of employment in the United State, China, Japan and European Union respectively (Weldeslassie, 2019). In Ethiopia, MSEs contribute to creation of employment for 806,300 people (EEA, 2015). Also, according to GOK (2015) and Kiveu and Ofafa (2013), MSEs in Kenya contribute 82.7% of the total employment and 18% in GDP. Regardless of their contribution to the economy, it has been observed that these MSEs have failed to perform well in the market and other spheres of business due to several factors such as lack of entrepreneurship skills (Mayuran, 2016). MSEs Market performance was observed to be low since the growth rate was observed to be 0.25 and 0.16 per year for revenue and capital investment respectively (Mashimba, 2014).

Entrepreneurship mentoring programme intends to transfer and complete competences, skills and abilities that are not acquired through the classical education system. Also, it aims in helping entrepreneurs develop the sustainable business plan that can lead them into achieving business success. Along this viewpoint, the study was conducted to determine the influence of entrepreneurship mentoring programme on Micro and Small enterprises' market performance.

Market performance is a crucial part in Micro and Small Enterprises' managerial decision (Mwatsika, 2015). This is due to the fact that Micro and Small Enterprises' success depends not only on financial performance but also on market performance (Magembe, 2017). In order for MSEs to successfully attain competitive advantage, they are required to be capable in performing well in both local and international markets, to the extent of achieving large market share, customer satisfaction, provision of high-quality products or services and growth on sales or profit (Gerhard, 2016). This is important since Micro and Small Enterprises market performance provides a clear picture of how these enterprises are performing given the dynamics that exist in the business environment (Magembe, 2016). Although there is growing literature on small enterprises in Tanzania, there is little clarity on how entrepreneurship training influence MSEs' market performance Tambwe (2015). Further, there is lack of entrepreneurship skills related to business record keeping, financial management, customer care and marketing skills on among MSEs operators across the globe which inhibit their market performance.

This study aimed at filling that gap in the literature. To get a clear understanding of the entrepreneurship mentoring program, a conceptual framework was constructed. The study was anchored on the Resource Based View (RBV) theory. Structural Equation Modeling (SEM) was adopted to establish the association between entrepreneurship mentoring programme and market performance of Small Industrial Development Organization (SIDO) supported Micro and Small Enterprises. It contributes to the literature in different ways such as theoretically, knowledge and methodologically. This is due to the fact that, the paper provides clear evidence and a deeper understanding to the government, policy makers, planners, institutions offering entrepreneurship training programmes and Micro and Small Enterprises operators or entrepreneurs on how entrepreneurship skills is crucial in facilitating or contributing to MSEs market performance. The study provides empirical evidence to the body of knowledge, including policy makers and planners on the contribution of entrepreneurship skills on Micro and Small Enterprises' market performance.

# 2. Literature Review

## 2.1 Theoretical Literature Review

Chebii (2017) conducted a study on entrepreneurial mentoring and its outcomes among small and medium enterprises in Eldoret, Uasin Gishu country in Kenya. Cross-sectional descriptive survey design was employed. The study revealed that career mentoring functions had no significant effect on subjective entrepreneurship outcomes. The study concludes that entrepreneurial mentoring is an important factor in producing entrepreneurial outcomes which should be encouraged for entrepreneurial success. Also, the study recommended that, there should be a formal introduction of entrepreneurial mentoring in the informal sector.

Also coaching, sponsorship, exposure and business advice under entrepreneurship mentoring programme are considered important for MSEs market performance. These skills and knowledge facilitate the provision of necessary knowledge and experiences that equip them with competencies necessary in enhancing MSEs market performance (Bengesi, 2014).

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## 2.2 Definition of terms

### 2.2.1 Entrepreneurship mentoring programme

Is defined as a structured initiative where experienced entrepreneurs guide and support aspiring entrepreneurs, often providing insights and networking opportunities. In this study, Entrepreneurship mentoring programme is a program comprised of coaching, sponsorship, exposure and business advice (Bengesi, 2014).

### 2.2.2 Market performance

A study by Gama (2010) indicated that, market

performance is directly related to number of sales and revenues, and can be determined by sales (responses), conversion rate, customer satisfaction, market share, customer acquisition, customer retention, up-selling, cross-category purchases, customer visit frequency, and co-produced products and services. Therefore, in this study market performance is directly related to size of market share, customer satisfaction, quality and market effectiveness (sales/profit).

### 2.2.3 Micro and Small Enterprises (MSEs)

Tanzania government defines MSEs according to the sectors, employment size and capital invested in machinery. A micro enterprise is defined as a firm with 1 to 4 employees with a capital up to 5 million shillings whereas small enterprise is a firm with 5 to 49 employees with a capital ranging between Tanzania shillings 5 to 200 million (URT, 2012). This study adopts the definition.

# 3. Methodology

The study adopted cross-sectional research design. This design is selected because it can estimate prevalence of outcome of interest since the sample is taken from the whole population (Sardana, 2016). It allowed the collection of data to be done once on the subject under the study and also incorporated people who have different interest, views and experience that were beneficial to the study (Setia, 2016). As noted by Bhattacherjee (2012) with this design the independent and dependent variables were measured at the same time.

## 3.1 Description of the Study Area

This study was undertaken in Arusha Municipality. Arusha was selected because it is the host of numerous micro, small and large businesses from retail to commercial businesses compared with many other areas in the country (Liliane, 2018; Ernest, 2016). Also, it is the area were majority of MSEs are aware and also participate in different entrepreneurship programmes compared to other areas around the region (SIDO, 2017). The ongoing business and economic potential of Arusha have influenced a motivation towards its selection as a study area. This study used SIDO because it is a parastatal organization that was established by the government to plan, coordinate, promote and offer every form of entrepreneurship training and services to small industries and mostly those dealty with MSEs operators or entrepreneurs (SIDO, 2017).

## 3.2 Sampling Procedures

2.2.1 Population of study
According to SIDO (2019) 725 SIDO supported MSEs were the target population of this study.

### 3.2.2 Sample size

Out of the population of 725 SIDO supported MSEs, a required sample was selected. Therefore, the sample size was determined using the formula developed by Yamane (1967). Yamane's formula was adopted because the population of the study is known and also it provides a simplified formula to calculate sample size (Oduor, 2016). Below is the sample size formula developed by Yamane, (1967):

Sample size $= N/(1+Ne^2)$
…………………………………………. Equation (1)

Where:
N is the total population= 725
e is a desired level of precision (Margin of error=0.05)
Therefore:
$= 725/ (1+(725*0.05^2))$
$=257$ SIDO supported MSEs

### 3.2.3 Sampling technique

The study used stratified random sampling and simple random sampling. Stratified random sampling was used because the population was heterogeneous and the number of elements within strata were SIDO supported MSEs in Arusha municipality. The technique ensured that each subgroup in the population gets proper representation in the sample (Khan, 2015). This was done by grouping those MSEs whereby MSEs with similar features were placed together to form subgroups which were food processing, soap making, Batiki and carpet making and bee keeping and honey making as shown in Table 1. Then, simple random sampling was done on each layer in order to provide an equal chance for each member in the subgroups to be selected. Doing so helped to avoid bias during the time of selecting sample from each subgroup (Adwok, 2015).

**Table 1 : Stratification of sampled MSEs**

| Kind of business | Frequency | Percent (%) |
|---|---|---|
| Batiki and carpet Making | 41 | 16 |
| Food processing | 92 | 35.8 |
| Bee and Honey processing | 48 | 18.7 |
| Soap making | 76 | 29.5 |
| Total | 257 | 100 |

## 3.3 Types and Sources of Data

### 3.3.1 Types of Data

This study collected data related to demographic features of respondents of selected enterprises such as sex, age, marital status, education level, nature of the business, number of employees and amount of capital invested in an enterprise. The study gathered data describing the extent to which there was an association between entrepreneurship mentoring programme SIDO supported MSEs' market performance.

### 3.3.2 Sources of Data

Both primary and secondary data were collected whereby primary data were obtained direct from the respondents (SIDO supported MSEs' entrepreneurs), entrepreneurship trainers, entrepreneurship coordinators and secondary data were obtained from published documents such as SIDO - Arusha consolidated programmes for 2018/2019, SIDO Industrial Development strategic plan of 2020/2021.

## 3.5 Data Collection Techniques

### 3.5.1 Survey method

Survey technique was used in this study because it is a good way of gathering a large amount of data which provides a broad perspective. Also with this technique it is easier to find statistically significant results than other data gathering methods (Sajilan and Tehseen, 2016). It was carried out by administering copies of structured questionnaire with both open and closed ended. The questionnaire was used because it helps to collect large amount of data from a large number of people in a short period of time. This was done through combining different MSEs into groups with similar characteristics and thereafter simple random sampling was undertaken to choose the sample from each subgroup.

### 3.5.2 Key informant interview

The study employed key informant interview method. It is used to obtain key or expert information that was not obtained from targeted respondents (Mumtaz, 2015). Also, it helps in framing preliminary understanding about a phenomenon and also provides a qualitative and rich detail about a phenomenon (Cossham, 2019). The interview involved Small Industries Development Organization (SIDO)'s entrepreneurship training trainer and coordinator. Two key informants' interviews were done, whereby a key informant interview guide was used to guide the collection of relevant information concerning the influence of entrepreneurship training on MSEs market performance.

### 3.5.3 Measurement of scales

The measurement scale used was Five-point Likert scale (1. Strongly disagree, 2. Disagree, 3. Neutral, 4. Agree, 5. Strongly agree). Market performance is directly related to size of market share, customer satisfaction, quality and market effectiveness (sales/profit). These scales were adopted in order to understand about the opinions/perceptions of respondents related to single 'latent' variable that is observed (Josh,2015).

## 3.6 Data Analysis

Descriptive statistics was used to analyze data concerning socio-economic characteristics of respondents by using parameters such as mean, frequency distribution, percentages and standard deviation. To test the relationship between the entrepreneurship mentoring and MSEs market performance, Structural Equation Modeling (SEM) was used. Structural Equation Model was used because it makes it possible to study complex patterns of relationships among constructs in a conceptual model in an integrative manner and also it is appropriate for exploring relationships between latent (unobserved) variables or constructs that are measured by observed variables (Werner, 2015).

Structural Equation Modeling (SEM) with Amos 20 was used to determine the extent to which entrepreneurship mentoring facilitate SIDO supported MSEs market performance. According to Hair (2016) accept that structural equation modeling must be measured from three parts including preliminary fit criteria; overall model fit and fit of internal structure of model. Test results of preliminary fit criteria. All the factors loading values of latent variables were in the standardized level between 0.5 and 0.9, and all of them are at the significant level. So, the theoretical model of this study is fit for the basic fitting standards. P-value was used to test statistical significance of hypotheses because it shows how incompatible the data are with a specified statistical model (Marasini, 2016). Also, it is a statistical measure that shows how much evidence a study has against null hypothesis, meaning that if p-value is less than 0.05null hypotheses is rejected while alternative hypothesis is accepted (Ibrahim, 2015).

# 4. Results and Discussion

## 4.1 Response rate

The targeted population in the study were SIDO supported MSEs in Arusha Municipality. A total of 257 copies of questionnaire were administered but only 230 of copies of questionnaires were returned. This gave a response rate of 89.5% meaning 89.5% of the entire copies of questionnaire were returned while 10.5% were not returned as shown in Table 1. It implies that data were adequate to be used since they were collected from more than 50% of the expected sample size. These results were in line with those of the study by Nganu (2015) who revealed that the response rate was above the 50% which was required to be met to ensure adequacy of data for analysis and reporting. Findings in Table 1 showed questionnaire completion rates of different business sectors. This was due to the fact that, the population was heterogeneous which required stratified random sampling to be done to form subgroups (Khan, 2015). Those subgroups were Food processing, Soap Making, Batiki and Carpet Making, Bee keeping and Honey processing.

**Table 1: Response rate**

| Kind of business | Frequency | Actual percent(%) | Frequency | Expected (%) |
|---|---|---|---|---|
| Batiki and carpet Making | 35 | 15.2 | 41 | 16 |
| Food processing | 86 | 37.4 | 92 | 35.8 |
| Bee and Honey processing | 42 | 18.3 | 48 | 18.7 |
| Soap making | 67 | 29.1 | 76 | 29.5 |
| Total | 230 | 100 | 257 | 100 |
| Response rate | | | | 89.5 |

## 4.2 Entrepreneurship mentoring programme descriptive analysis

Entrepreneurship mentoring programme intends to transfer and complete competences, skills and abilities that are not acquired through the classical education system. Also, it aims in helping entrepreneurs develop the sustainable business plan that can lead them into achieving business success. Along this viewpoint, the study was conducted to determine the influence of entrepreneurship mentoring programme whereby 230 respondents were asked to respond to questions provided in the questionnaires which were distributed to them so that they can rate them based on their perception.

The findings of the study in Table 2 show that 68.3% of respondents agreed that they received coaching from entrepreneurship mentoring programme, while 30.4% of respondents disagreed and 0.4% of respondents were neutral with a mean of 3.3783.This indicates that the majority of the respondents were coached, which implies that entrepreneurs who are coached receive support which builds confidence and courage entrepreneurs to face day to day challenges in

their operation and also leads to increased product innovation. This is supported by a study done by Soebandi (2018) which revealed that coaching activities involve a learning process within the enterprises which increase product innovation through the ability or capability of design to adapt to environmental changes which contributes to MSEs market performance. Also, it concurs with the study findings done by Chebii (2017), which revealed that coaches support entrepreneurs developmentally, which enables them to execute work with their strengths and build self- confidence to face operational and environmental issues, which contribute to performing well in the market. This is in line with Weldeslassie (2019) who revealed that coaching builds capacity for entrepreneurs to foster effective exploitation of business opportunity and raise the ability to meet customers' needs, market share, produce quality products and increase sales turnover.

On the other hand, in Table 2 the findings show that 6.5% of respondents agreed that they received sponsorship from mentoring programme while 90.4% of respondents strongly disagreed of receiving sponsorship from mentoring programme while 1.3% of respondents disagreed and 1.7% of respondents were

neutral with a mean of 1.2435. It indicates that majority of MSEs did not receive sponsorship or financial assistance from the programme. It means that MSEs still face financial constrains which hinder them from financing different activities or take advantage of business opportunities that emerge in the business environment which are key attribute in fostering MSEs market performance. These findings were supported by Makhado (2015) who revealed that financial challenges are still constrains for the majority of MSEs, which limit their ability to increase sales, provide satisfactory products or service and produce quality products.

The findings further show that 68.7% of respondents agreed that they have acquired business exposure from entrepreneurship mentoring programme and 0.4% of respondents strongly disagreed and 30% of respondents disagreed while 0.9% of respondents were neutral with a mean of 3.3783 as shown in Table 2. It indicates that the majority of MSEs were exposed in business environment. This implies that business exposure is key in helping MSEs gain experience and understanding of responding to changes emerging in the business environment, which is key towards

performing well in the market. This is in line with Davies (2017) who revealed that the more the emphasis on business exposure the higher the performance, which has been attributed to the acquisition of experiences and knowledge that facilitate the execution and exploitation of business opportunities. This collaborates with Makhado (2015) who revealed that business exposure provides enterprises with experiences which help them perform well in the market and they also gain ideas on how to tackle the challenges existing in the market.

The findings further show that 58.7% of respondents agreed that they received business advice from mentoring programme, 0.4% of respondents strongly agreed while 39.1% of respondents disagreed and1.7% of respondents were neutral with a mean of 3. 2043.This indicated that the majority of respondent received business advice. It implies that business advice provided by experts tend to be helpful to the entrepreneurs operating MSEs since they are not fully knowledgeable about the business environment, they are operating in.

**Table 2: Entrepreneurship Mentoring Programme**

| Variable | SD% | D% | N% | A% | SA% | Likert Mean | Std Deviation |
|---|---|---|---|---|---|---|---|
| Coaching | 0 | 30.4 | 1.3 | 68.3 | 0 | 3.3783 | 0.92063 |
| Sponsorship | 90.4 | 1.3 | 1.7 | 6.5 | 0 | 1.2435 | 0.78291 |
| Exposure | 0.4 | 30 | 0.9 | 68.7 | 0 | 3.3783 | 0.93007 |
| Business Advice | 0 | 39.1 | 1.7 | 58.7 | 0.4 | 3.2043 | 0.97881 |

SD=Strongly Disagree, D=Disagree, N=Neutral, A=Agree, SA=Strongly Agree

The findings from descriptive statistics were supported by key informants, who reported that: *"...before joining the entrepreneurship training, MSEs operated by these entrepreneurs were faced with poor market performance since they were unable to compete with other businesses due to lack of capabilities and resources such as skills, knowledge and competencies that could enable them compete with their rivals. In that case we decided to establish entrepreneurship mentoring programme to facilitate in providing continuous assistance they need whereby we have ensured our experts are ready and available to offer business coaching, business advice, expose them in the business environment through participating in trade fairs and exhibition and whenever possible we invite successful entrepreneurs to come and share their experiences. This contributed a lot to MSEs market performance ..." (Key informant interview, SIDO Arusha, 2020)*

## 4.3 Measurement model assessment

### 4.3.1 Entrepreneurship mentoring programme sampling adequacy

The sampling adequacy was another area of interest in this study. The findings in Table 3 showed that the KMO value is 0.692, which shows that the data is perfectly suitable for factor analysis since it exceeds KMO value of 0.5, which is set as a standard measure of sample

adequacy and Bartlett's value is 0.000 which shows that the data is multivariate normal and acceptable for data analysis since it is less than P-value 0.05.It shows that there is significant statistical evidence that variables under entrepreneurship mentoring programme correlate to each other. This is provided in Table 3.

**Table 3 : Entrepreneurship mentoring programme KMO Sampling Adequacy**

| Test | | Coefficient |
|------|---|-------------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | 0.692 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 351.142 |
| | Df | 6 |
| | Sig. | 0.000 |

## 4.3.2 Entrepreneurship mentoring programme factor analysis

The total variance explained by the extracted factor is 60.937% as shown in Table 4. The factor commonalities of the 4 variables constructs are all above 0.2. This is in line with Child (2016), who pointed out that extractions are usually sufficient if the commonalities are greater than 0.2, whereby in this study all variables had extraction greater than 0.2. meaning that all data were suitable for factor analysis.

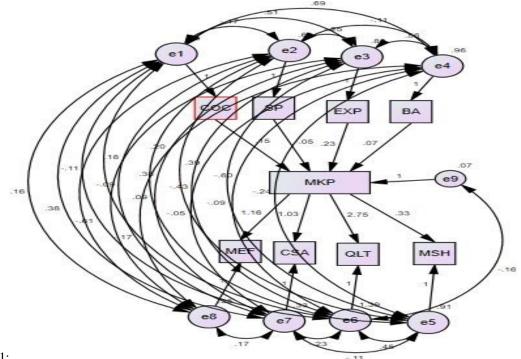**Table 4: Entrepreneurship mentoring Total Variance Explained**

| Component | Total | Initial Eigenvalues % of variance | Commulative % | Total | Extraction Sums of Squared Loadings % of variance | commutative % |
|-----------|-------|-----------------------------------|---------------|-------|---------------------------------------------------|---------------|
| 1 | 2.43 | | | 2.43 | | |
| | 7 | 60.937 | 60.9372 | | 60.9372 | 60.9372 |
| 2 | 0.924 | 23.111 | 84.048 | | | |
| 3 | 0.405 | 10.128 | 94.176 | | | |
| 4 | 0.233 | 5.824 | 100 | | | |

## 4.3.3 Test of overall theoretical model for entrepreneurship mentoring programme

Structural Equation Modeling (SEM) with Amos 20 was used to analyze the relationship among the variables in Entrepreneurship mentoring programme.

Hair *et al* (2016) accept as true that structural equation modeling must be measured from three parts, including preliminary fit criteria; overall model fit and fit of internal structure of model.All the factors loading values of latent variables were in the standardized level between 0.5 and 0.9, and all of them are at the significant level.

So, the theoretical model of this study is fit for the basic fitting standards. Test results of overall model fit show the measurement of absolute fitness, $\chi^2=0.929$, d.f=1, RMSEA (0.000) is lower than 0.06, which indicates that all indicators reach the accepted level. In the measurement of asymptotic fitness, values of GFI (0.999), TLI (1.018), NFI (0.999), CFI (1.000), RFI (0.979), IFI (1.000), AGFI (0.960) are larger than 0.9. As to measurement of summarized fitness, values of PNFI (0.028), PCFI (0.028) are less than 0.5, and $\chi^2/df$ (0.929) is less than 2 and RMR (0.009), which implies that all indicators reach the accepted level (Kumar, 2017). Therefore, the theoretical model of this paper has a good overall model fit.

Figure1:

The findings show that there is statistically significant evidence that there is causal relationship between entrepreneurship mentoring programme and MSEs market performance with p-value of 0.000, which is less than p-value 0.05 (see in Figure 1). Also, it indicates that all variables under entrepreneurship mentoring inputs influence MSEs market performance by 68.1%, whereby a unit increase in coaching can result in a good market performance of MSEs by 15%. This indicates that coaching services from entrepreneurship experts are important at facilitating and fostering MSEs market performance.

The findings also showed that a unit decrease in sponsorship or financial assistance can result into decrease in MSEs market performance by 5% (Figure 1). It further indicates that sponsorship or financial assistance are important for MSEs performance and survival in the market. It is also revealed that business exposure had positive association with MSEs market performance whereas a unit increase in business exposure results into increased MSEs market performance by 23% (see .Figure 1). This implies that business exposure is very important and crucial since it contributes a lot in MSEs market performance.

The findings also revealed that there was a correlation between business advice and MSEs market performance. This is true since a unit increase in business advice can result in MSEs market performance by 7% (see Figure 1). It implies that business advice is also important to MSEs be able to not only exploit business opportunities existing in their pace but also compete which result in the performing well in the market.

### 4.3.4 Test of Alternative hypothesis

The study results show that p-value=0.000<0.05. This indicates that there is statistical evidence to accept alternative hypothesis. It implies that, there is an association between entrepreneurship skills and MSEs market performance. This concurs with the studies by Eton (2017) and Msoka (2013) which revealed that entrepreneurship skills have positive relationship with MSEs' market performance. It was concluded that, entrepreneurship skills are an important predictor of MSEs market performance.

The results of hypothesis testing in Table 5 show that all indicators in entrepreneurship mentoring programme are statistically significant in explaining the association between entrepreneurship mentoring programme and SIDO supported MSEs market performance in Arusha municipality since their P<0.05. Therefore, we accept the alternative hypothesis that: $H_{A2}$.there is an association between entrepreneurship mentoring programme and SIDO supported MSEs market performance in Arusha municipality. In other words, there is a positive relationship between entrepreneurship mentoring programme and SIDO supported MSEs market performance. It implies that entrepreneurship mentoring programme is associated with MSEs market performance. This concurs with the study by Makhado (2015) which revealed that the more emphasis on MSEs engagement in entrepreneurship mentoring programme the more they gain the experience and ability that foster good performance in the market.

**Table 5 : Hypothesis testing for $H_{A1}$**

| Model | | B | Std. Error | Beta | t | Sig. |
|---|---|---|---|---|---|---|
| | | **Unstandardized Coefficients** | | **Standardized Coefficients** | | |
| 1 | (Constant) | -.789 | .093 | | -8.467 | .000 |
| | Coaching | .151 | .031 | .294 | 4.896 | .000 |
| | Sponsorship | -.052 | .025 | -.087 | -2.126 | .035 |
| | Business Exposure | .230 | .026 | .455 | 8.783 | .000 |
| | Business Advice | .073 | .030 | .152 | 2.485 | .014 |

Notes: *Significant at P<0.05.

The results of this study complied with the concepts under resource-based view theory. As they show the importance of experience and knowledge obtained from entrepreneurship mentoring programme on MSEs market performance whereby the more MSEs engaged in this programme the more they realized better market performance, which is an ultimate success for the enterprises.

# 5. Conclusion and Recommendations

## 5.1 Conclusion

This study aligned well with Resource Based View. However, the study provided the empirical evidence on the influence of entrepreneurship training on MSEs market performance. Structural Equation Model (SEM) provided an understanding of how independent variables (customer care, marketing, financial management and business recording keeping skills) affect or cause dependent variable (market performance). It is a model that provides accurate and reliable results of the causal relationship that exists between independent variable (customer care, marketing, financial management and business recording keeping skills) and dependent variable. It was suggested that institutions that are providing entrepreneurship training like SIDO should establish entrepreneurship unit or department that will help MSEs conduct feasibility study/ market research at least twice annually so that they can be in a position of advising these MSEs on the area of market need and business opportunities in general. This will encourage diversity and avoid unnecessary stiff competition.It was also concluded that there is positive association between entrepreneurship mentoring programme and MSEs market performance. It also showed that all predictors had strong influence on MSEs market performance at a significant level less than p-value 0.05, which demonstrates that any change in entrepreneurship mentoring programme will cause a greater change in MSEs market performance by 68.1%. It implies that the more MSEs are mentored the more they acquire experience and knowledge that foster the realization of better market performance.

## 5.2 Recommendations

However, the study recommended that Small Industrial Development Organization and other institutions offering entrepreneurship training programmes should establish incubation Centres that will incubate MSEs after graduating from entrepreneurship training so that they can be well mentored and monitored. Also SIDO and other business development service providers should establish relationships with different government and non-governmental institutions like banks, Saccos and successful businesses so that MSEs can be sponsored, capacitated and be able to perform and grow as expected. This can be achieved through entering into memorandum of association with those institutions.Furthermore, SIDO and other business development service providers should have a system of monitoring the MSEs in order to make their training valuable and review their curriculum or training manuals.

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