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# THE INFLUENCE OF ENTREPRENEURSHIP TRAINING ON THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES AMONG VOCATIONAL GRADUATES IN TANZANIA

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*Abstract*—**Entrepreneurship training in Vocational Education and Training (VET) system in Tanzania is very crucial in developing entrepreneurial competencies which are necessary for Small and Medium scale Enterprises (SMEs) performance in the labour market. This study evaluated the influence of entrepreneurship training on the performance of VET graduates who run SMEs in Dar es Salaam, Dodoma, Manyara, Arusha and Mwanza regions. A total of 220 VET graduates and 60 entrepreneurship teachers were sampled for the study. A cross- sectional research design was used for the study. Data were collected through a questionnaire-based survey, Key Informant Interviews (KIIs) and Focus Group Discussion (FGDs). Content analysis was used to analyse qualitative data, while quantitative data were analysed by using Wilcoxon test. The results indicated that the performance of VET graduates who run SMEs in the labour market changed because of attaining entrepreneurial competencies. The entrepreneurial knowledge, skills and attitudes had increased after training which had tremendous changes on SMEs performance. The study concludes that experiential training increases entrepreneurial competencies of VET graduates hence, results into good performance of SMEs. The study recommends that SMEs performance is influenced by entrepreneurial competencies gained by VET graduates.**

*Keywords*—**Entrepreneurship Training, SMEs, Vocational Graduates, Performance, Tanzania.**

## I. INTRODUCTION

In the new era of global economy, entrepreneurship training has become a central issue for the economic growth and development of nations. Against this background, the need to groom trainees who will perform different entrepreneurial activities in the labour market is being experienced by government authorities, individuals, and educators. Arguably, this explains why Vocational Education and Training Authority (VETA) in Tanzania integrates entrepreneurship training into its curricula of studies. In fact, the information on how Vocational Education and Training (VET) graduates perform after graduating from VET centres is not exactly known (EUVETA, 2018). VET institutions use different pedagogical approaches in running entrepreneurship education and training programmes for the sake of imparting entrepreneurial competencies relevant for practical activities in the labour market. Against this background there is a need to understand the influence of entrepreneurship training on the performance of VET graduates who run Small and Medium scale Enterprises (SMEs) in Tanzanian labour market. This understanding is particularly relevant in developing countries like Tanzania because they encounter challenges of unemployment.

Entrepreneurship training and its importance in developing entrepreneurial competencies that are demanded in the labour market has been carried out worldwide. Empirical evidence shows that entrepreneurship training aims at producing graduates who are competent in the labour market (Ali & Koehler, 2020). However, other literatures insist that entrepreneurship training helps in minimizing unemployment rate of youth especially graduates from different training

institutions (ILO, 2022; Yan, 2020). Moreover, entrepreneurship training is expected to produce graduates who are independent, creative, innovative, and able to create jobs while addressing unemployment (Corry, 2020; Yin & Liang, 2018). Fostering entrepreneurial skills is claimed to be a major objective of entrepreneurship training programmes (Yin & Liang 2018; Ibanescu, 2019). In fact, performance of VET graduates in the labour market depends upon the kind of training obtained from training institutions. It is argued that the role of training institutions all over the world is to make trainees as main contributors to the economic development especially when involved into entrepreneurial activities in the labour market (Heinen et al., 2010). This is why, it is insisted to trainees to engage in different practical work after graduation. The aim is to make them be productive members of the society (Oguejiofor & Ezeabisili, 2014). For this reason, it is very important to expand the body of knowledge with respect to entrepreneurship training to fully comprehend how it influences the performance of VET graduates who run SMEs in the labour market.

VET institutions are interesting target groups for studies on evaluation of the influence of entrepreneurship on SMEs performance. In Tanzania, entrepreneurship training is not a new agenda. It has been featured in education system through the adoption of education for self-reliance which encouraged production of self-reliant graduates at all levels of education (Muideen, 2017). According to the policy of self-reliance, entrepreneurship was implemented in tertiary institutions through practical and productive activities on farms and in workshops as it was included in curricula as an integral part in learning (Nkirina, 2010). Currently, entrepreneurship training is popular because, it addresses the unemployment gap among graduates. Currently, studies anticipated that over 700,000 graduates enter the labour market each year in Tanzania, while the country generates over 60,000 job opportunities annually in both private and public institutions (Gregory, 2017). Therefore, entrepreneurship training has been considered by training institutions in Tanzania as way for curbing unemployment challenges. Thus, such training is relevant particularly in Tanzania because youth unemployment remains a significant concern, with male and female graduates facing unemployment rate of 8.9 percent and 11 percent respectively (Mihayo & Mmari, 2020). Arguably, entrepreneurship training has been integrated into VET curricula with the aim of allowing trainees to practice the possibilities of an entrepreneurial career, to build interest, confidence, commitment, and ability to start their own business upon completion of their programmes of study (EUVETA, 2018).

As a way of encouraging the development of entrepreneurial competencies in VET system entrepreneurship education and training have been integrated into the VET curricula of studies. However, to the researcher's knowledge very limited studies have been conducted to evaluate the influence of entrepreneurship training on the performance of VET graduates who opt to run SMEs dealing with Food Production (FP) and Design Sewing and Cloth Technology (DSCT) in the Tanzanian labour market. Therefore, this study evaluated entrepreneurial competencies dimensions which can be learned through entrepreneurship training namely; entrepreneurial knowledge, entrepreneurial skills, and entrepreneurial attitudes. Thus, the study sought to answer the research question; to what extent does entrepreneurship training dimensions influence the performance of SMEs owned by VET graduates in Tanzanian labour market?

## II. CONCEPT USED IN THIS STUDY

**Entrepreneurship Education** aims to alter the beliefs and attitudes of learners while equipping them with the entrepreneurial skills and knowledge requisite for success in business. It includes various programmes targeted at changing the world view of learners from job seekers to job creators. Unlike ordinary business management, entrepreneurship involves elements of risk taking, creativity and innovation (Nabi et al., 2018).

**Entrepreneurship Training** in VET institutions is relevant. Anggraeni and Nurcaya (2016) define entrepreneurship training as an effort to facilitate students with amenities, train them and build confidence to anticipate failure but remain committed to their business to achieve success. Timan and Sultoni (2019) ascertain that, entrepreneurship training can be provided in various forms such as leadership training potential-based business determination training, apprenticeships production, market and so on.

**SMEs** have been defined differently from one country to another. Wangwe (1999) and Massawe (2003) argue that the definition of SMEs is slippery and has not been universally agreed upon. In the Tanzanian case, small enterprises are the ones that employ 5 to 49 persons and have a capital of 6 to 200 million TZS, the medium enterprises employ 50 t0 100 persons and having a capital of 201 to 800 million TZS and micro comprises of 1 to 4 persons and have a capital of up to 5 million TZS (URT, 2003). This study focuses on Small and Medium Enterprises operated by vocational graduates in Tanzanian labour market.

**SMEs Performance** is an outcome derived from running business (Hasan & Almubarak, 2016). It is measured using financial and non-financial measures. Financial performance includes return on investment and return on equity, return on sales, and net profit margin. Non-financial measures include customer satisfaction, sales growth, employees' growth, and market share (Maziku et al., 2014 & Huang, 2010).

## III. THEORITICAL FRAMEWORK OF THE STUDY

The study was guided by the Human Capital Theory. Human capital is one of the main factors for economic growth in the modern knowledge-based economy where knowledge, skills,

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attitudes, health, and welfare have impacts on the productivity of people. Schultz (1961) defines human capital as knowledge and skills obtained by the people as capital in the process of education and training generates income (Fitzsimons, 1999). Several authors such as Levin and Kelly (1994), Thurow (1975) and Spence (1973) have criticized the human capital theory for being too simplistic in its analysis of employee's productivity. They argue that education alone cannot lead to organizational productivity but rather can be accompanied with other variables. Despite these critics, the theory is still relevant in understanding human capital investment in perspectives of both individuals and the venture (Fugar et al., 2013). The theory is applicable in this study because the aim of entrepreneurship training provided VET institutions is to make vocational trainees acquire entrepreneurial competencies which are relevant in producing different products and providing service in the labour market. This also has an impact on economic growth. The theory insists on the acquisition of knowledge, skills, and attitudes (entrepreneurial competencies) as prerequisites to competitions and successful businesses. It is believed that entrepreneurship training will equip vocational trainees with different knowledge, skills and attitudes on their SMEs that will increase the performance by improving their products or services.

## IV. CONCEPTUAL FRAMEWORK OF THE STUDY

**Entrepreneurial Competencies** - It is anticipated that the major objective of entrepreneurship training is to assist trainees in acquiring several competencies that they may use to manage their SMEs in the labour market. Various scholars have defined entrepreneurial competencies in line with their respective viewpoints. For example, according to Lans et al., (2008), entrepreneurial competencies are a blend of knowledge, abilities, and attitudes. On the other hand, entrepreneurial competencies are described by Mitchelmore & Rowley (2010) as behaviours, attitudes, characteristics, knowledge, and skills. In this study, aspects to entrepreneurial competencies, entrepreneurial knowledge is the first aspect, followed by entrepreneurial skills and entrepreneurial attitudes. These competencies are an outcome of entrepreneurship training and they increase the performance of SMEs in the labour market.

**Entrepreneurial Knowledge** - It is envisaged that entrepreneurship training desired trainees to acquire entrepreneurial knowledge on how to establish a business, how to be an entrepreneur, and how to organize a business. These competencies are thought to be crucial elements of SMEs establishment. A further acknowledgment made by the European Commission in 2003 is that entrepreneurship training could help to develop and promote entrepreneurial knowledge. Therefore, to run SMEs in the labour market, effective entrepreneurship training which will result in entrepreneurial knowledge competencies is inevitable.

**Entrepreneurial Skills** - It is anticipated that entrepreneurship training imparts skills like innovation, problem-solving, networking, communication, planning, and organizing, which re considered to be the most key elements of a business organization's survival, ongoing success, and growth (Sakib, 2020; Klyver, 2020). It is defined as beliefs and perceptions about one's readiness to engage in personal behaviour, which is then connected to expectations of one's capacity to make decisions because of such behaviour (Chen, 2010).

**Entrepreneurial Attitudes** - It is anticipated that entrepreneurship training to boost trainees' motivation for entrepreneurial attitudes like taking risks, being persuasive, monitoring SMEs' performance, and information seeking, which are required in operating SMEs in the labour market. The above information shows that entrepreneurship training aims at developing entrepreneurial competencies such as entrepreneurial knowledge, entrepreneurial skills, and entrepreneurial attitudes. These competencies influence the performance of SMEs. On that basis, the conceptual framework was constructed as shown in Figure one.

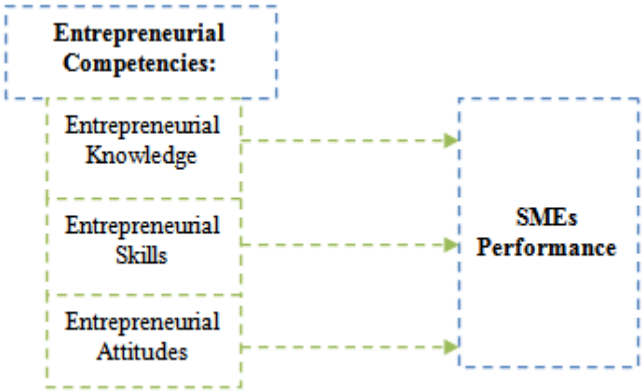


**Figure.1. Conceptual Framework**

## V. METHODOLOGY

**Description of the study areas -** The study was conducted in Dar es Salaam, Dodoma, Manyara, Arusha and Mwanza Regions. These regions are categorized as growing commercial towns and were propelled by increasing several VET graduates who engaged in SMEs dealing with Food Production and Design Sewing and Cloth Technology. The presence of entrepreneurial activities has resulted in establishment of different SMEs dealing with FP and DSCT (VETA tracer study, 2018).

**Research Design -** The study used qualitative and quantitative approaches and employed a cross sectional research design which allowed data to be collected at a single point in time (Babbie, 1990). The research design was suitable because it allows the researcher to look at numerous characteristics or

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variables and measure the outcomes at once using limited resources for data (Setie, 2016).

**Study population, sampling procedures and sample size -** The study population included SMEs, entrepreneurship teachers, entrepreneurship coordinators and VET graduates in the selected regions. The study targeted VET graduates dealing with FP and DSCT as the unit of analysis for the study. The rationale behind the selection of VET graduates is that, these are beneficiaries of entrepreneurship training and have the most comprehensive entrepreneurial knowledge on how to run SMEs dealing with FP and DSCT in the labour market. A purposive sampling technique was used to get a sample size of 60 Key Informants from a total population of 70 entrepreneurship teachers. A simple random sampling technique was used to select 222 respondents from a total population of 500 VET graduates. Simple random technique was importantly used since it reduces human bias and gives an equal chance for every individual to be included in the study (Saunders, Lewis, and Thornhill, 2012; Bernard, 2013), a situation which enables findings to be generalized. Similarly, a simple random sampling technique was used to obtain 60 Focus Group Discussants (Five FGDs in the selected regions) participants for selected VTCs. The formula for estimating the sample size as proposed by Yamane (1967) was used, where by a 95% confidence level and 0.005 sampling errors were applied to estimate the sample size.

**Entrepreneurship Teachers Sample Size Estimation -** The sample size (n) for entrepreneurship teachers was estimated by using Yamane (1967) formula given as:

$$\frac{N}{1+N\,(e)^2}$$

Where by:
**n**= Sample size estimate
**N**= Population size (70 expected Entrepreneurship teachers from the field)
**e**= margin of error (0.05)

$$\frac{70}{1+70\,(0.05)^2} \quad \textbf{or n= 60}$$

**VET graduates (dealing with SMEs) Sample Size estimation -** The sample size (n) for VET graduates dealing with SMEs was also estimated by using Yamane (1967) formula given as:

$$\frac{N}{1+N\,(e)^2}$$

Where by:
n= Sample size estimate
N= Population size (500 expected VET graduates dealing with SMEs)
e= Margin error (0.05)

$$\frac{500}{1+500\,(0.05)^2} \quad \textbf{or n= 222}$$

**Data Collection Methods and tools -** To meet the study objectives both primary and secondary data were collected primary data from respondents and secondary data from different accessed documents. Primary data were collected through Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs). Only three key informants were interviewed, selected from Entrepreneurship Teachers who had chosen to employ themselves in SMEs despite their teaching careers. Data from key informants were gathered using an in-depth interview guide. This method was chosen because it allows for the collection of rich qualitative information (Starman; Stokes and Bergin, 2006). Additionally, data from FGDs were collected using a checklist to ensure systematic coverage of relevant topics and insights. This approach was employed to gather broader perspectives and insights from multiple participants simultaneously, enhancing the comprehensiveness of the data collected. For triangulation purposes, secondary data were collected through reviewing different documents, including entrepreneurship reports, entrepreneurship curriculum, entrepreneurship project reports, and training materials which were relevant to this study. These documents allowed the researcher to collect a large amount of data which complemented the qualitative and quantitative primary data collected from respondents.

**Data Processing and Analysis** - The qualitative data from KIIs and FGDs were recorded and transcribed prior to being analysed. The transcription was carefully performed to maintain the original meaning of the information. Thereafter, data were coded to help identify themes and sub themes related to influence of entrepreneurship training on the performance of VET graduates in the labour market. The aim was to have a clear understanding of the common patterns, experience and understanding the opinions of the respondents which helped in judgement. In addition to that, content analysis technique was employed to analyse data captured in different documents related to entrepreneurship training. This involved, reading entrepreneurship reports and other documents such as entrepreneurship scheme of work, entrepreneurship log books, entrepreneurship projects reports and entrepreneurship instruction plans. On the other hand, the quantitative data that were collected used the questionnaire were analysed by running the Wilcoxon signed rank test. This test was chosen because the data were ordinal, and the assumption of normality was not met. The Wilcoxon signed rank test is a non-parametric statistical test that compares the ranks of two related samples. The test was conducted to evaluate the differences in entrepreneurial attitudinal competencies, entrepreneurial knowledge competencies, and entrepreneurial skills competencies among VET graduates owned SMEs in the labour market. A significance level of $p < 0.05$ was considered to indicate a statistically significant difference. Descriptive analysis was also conducted to examine the means of the samples, and the results were reported with the corresponding effect sizes. Overall, the

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methodology used in this study enabled the evaluation of the entrepreneurial competencies of SMEs owned by VET graduates before and after graduation.

## VI. RESULTS AND DISCUSSION

This section presents results and discussion of empirical data about the influence of entrepreneurship training on the performance of vocational graduates who run SMEs in Tanzania. The participants were classified in terms of their gender, age, level of education, and year of graduation. Two hundred & twenty VET graduates & sixty entrepreneurship teachers were asked to fill in questionnaires to measure entrepreneurial competencies. Out of 220 participants, 145 (65.90%) returned the duly filled in questionnaires. However, only 75 (34.09 %) were not completed and not returned the filled in questionnaires.

Table - 1: Distribution of VET graduates owning SMEs by Gender

| Gender | Frequency | (%) |
|---|---|---|
| Female | 108 | 74.5 |
| Male | 37 | 25.5 |
| Total | 145 | 100 |

**Source:** Field Survey

The findings summarized in Table one show that, the gender ratio of respondents between male and female stands at 1:3.This implies that gender had an impact on entrepreneurial activities since108 females (74.5 %) were engaged in the types of SMEs selected for this study, compared with 37 males (25.5%). This indicates that high number of the respondents who were visited for data collection was female. This concurs with the information of VETA tracer study (2018) which shows that FP and DSCT trades are dominated by female sex.

Table - 2: Age of SMEs owners

| Age | Frequency | ( %) |
|---|---|---|
| 18-25 years | 80 | 55.2 |
| 26-35 years | 44 | 30.3 |
| 36-45 years | 20 | 13.8 |
| 46-55 years | 1 | 0.7 |
| Total | 145 | 100.0 |

**Source:** Field Survey

Table 2 presents the distribution of age among VET graduates owning SMEs. The SMEs owners with the age between 18-25 years were 55.2 percent of all SMEs owners, and those with 26-35 forms 30.3 percent. The SMEs owner with the age between 36-45 years and 46-55 years were smallest category with about 14.5 percent of all SMEs owners. The findings indicate that those with age between18-25 years and 36-45 years were the most active SMEs owners in the selected regions since they form 85.5 percent of all respondents visited.

Table - 3: Level of Education of SMEs owners

| Level of Education | Frequency | ( %) |
|---|---|---|
| NVA Level II | 9 | 6.2 |
| NVA Level III | 136 | 93.8 |
| Total | 145 | 100 |

**Source:** Field Survey

The Education Level is frequently associated with entrepreneurial performance with this understanding, it was deemed necessary to examine the levels of education among SMEs owners. Table 3 indicates that 93.8 percent of the SMEs owners at least had III level. As such the SMEs owners with this level of education can easily be performing great due to accumulation of experience from academic point of view. This is in line with the argument developed by Indarti and Langenverg (2004), in their study in Indonesia, who found that education of the entrepreneurs, had a very significant positive relationship with business start-up as well as growth and success.

Table - 4: Distribution of SMEs by Regions

| Regions | Frequency | ( %) |
|---|---|---|
| Arusha | 38 | 26.2 |
| Dar es Salaam | 18 | 12.4 |
| Dodoma | 22 | 15.2 |
| Manyara | 12 | 8.3 |
| Mwanza | 55 | 37.9 |
| Total | 145 | 100.0 |

**Source:** Field Survey

Data in Table 4 presents distribution of SMEs in the selected five regions of Tanzania where data were collected. The findings indicate that there were slight variations in the sample size among regions with the highest recorded in the Mwanza and Arusha regions with 64.1 percent. In view of the result presented in Table 4 the micro scale entrepreneurship had high composition of about 64.1 percent of the total sample followed by 15.2 percent and 12.4 percent and 8.3 percent in Dodoma, Dar es Salaam, and Manyara Regions respectively. The dominance of micro scale enterprises is not surprisingly, since it is easier and convenient to establish in the selected regions.

**Entrepreneurial Attitudinal competencies of VET graduates owned SMEs -** Under this dimension the following elements were included creativity and innovation, calculated risk taking and Communication and networking. Its description is shown in Table Five.

Table - 5: Entrepreneurial Attitudinal Competencies of VET Graduates owned SMEs

| Variables | Before | | After | | Wilcoxon test | Significance |
|---|---|---|---|---|---|---|
| | Mean | SD | Mean | SD | | |
| Creativ | 2.03 | 0.28 | 3.12 | 0.4 | -11.62 | 0.000 |

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| | | | | | | |
|---|---|---|---|---|---|---|
| ity and innovation | | | | 5 | | |
| Calculated risk taking | 1.96 | 0.55 | 3.18 | 0.52 | -11.05 | 0.000 |
| Communication and networking: | 2.04 | 0.44 | 3.12 | 0.44 | -11.05 | 0.000 |

**Source:** Author Calculation

The study evaluated the entrepreneurial attitudinal competencies of small and medium-sized enterprises (SMEs) owned by vocational graduates. The results indicated a noteworthy difference ($p<0.05$) in the competencies of creativity and innovation, risk-taking, communication, and networking before and after graduation. Upon conducting descriptive analysis, the means were found to have increase; for instance, creativity and innovation increased from 2.03 to 3.12 which suggests that the entrepreneurial attitudinal competencies were higher after graduation compared to before graduation. This indicates that there was improvement in entrepreneurial competencies after attending training as indicated in Table 5. On the other hand, key informant interviews (KIIs) and Focus Group Discussions (FGDs) conducted revealed the changes in attitude among VET graduates, especially in creativity and innovation, calculated risk taking and communication and networking after training. This is evidenced by the following quotations;

"…My level of creativity and innovation have increased after attending training. Before that I was not good in making some innovation and creativity in my products" (Key informant, VETA Arusha, April 3rd 2022)

Another participant from VETA Dar es Salaam had the following to say regarding the entrepreneurial competencies received and their effects in performance;

"…..Thanks, VETA, for incorporating entrepreneurship education in our trades (DSCT and FP) my level of calculating risk and communication to my customers has increased. I really note the difference before training and after training; this also has increased my performance" (Key informant, VETA Mwanza, March 12th 2022)

Moreover, participants in FGDs conducted in Don Bosco training institute in Dodoma had the following to say;

…We have increased several customers especial in our business (Food Production) since we have networks also, we are now better at communication than before attending the training (FGD participants, Nangwa VTC, October 1st 2021).

Their view clearly shows that creativity and innovation, calculated risk and communication and network contributed to their performance. It indicates that, if the entrepreneurship training is clearly implemented in VTCs the products (vocational graduates) will perform perfect in the labour market.

**Entrepreneurial Knowledge Competencies Possessed by VET Graduates' owned SME** - Under this dimension, the following elements were included: venture start up and career motivation as it is indicated in Table six.

Table - 6: Entrepreneurial Knowledge competencies possessed by Vocational graduates owned SMEs

| **Variables** | **Before** | | **After** | | **Wilcoxon test** | **Significance** |
|---|---|---|---|---|---|---|
| | Mean | SD | Mean | SD | | |
| Venture starts up: | 2.06 | 0.32 | 3.16 | 0.47 | -11.41 | 0.000 |
| Career motivation: | 2.03 | 0.4 | 3.23 | 0.44 | -11.4 | 0.000 |

**Source:** Author Calculation

The study also, evaluated the entrepreneurial knowledge competencies possessed by vocational graduates who owned small and medium-sized enterprises (SMEs). The results indicated a significant difference ($p < 0.05$) in the competencies of venture starts up and career motivation before and after graduation. Upon conducting descriptive analysis, the means were found to be increasing. For instance, venture start up increased from 2.06 (poor) to 3.16 (good), and career motivation increased from 2.03(poor) to 3.23 (good). This suggests that the entrepreneurial knowledge competencies were higher after graduation compared to before graduation.

On the other hand, key informants' interviews (KIs) and Focus Group Discussions (FGDs) conducted revealed the changes in entrepreneurial knowledge among VET graduates especially in venture start up and career motivation. This is evidenced by the following quotations;

"…My passion for starting a new venture increased after attending entrepreneurship training. Before entrepreneurship training, I was unable to do so" (Key informant, VETA Arusha, April 3rd 2022)

Another participant from VETA Mwanza had the following regarding the entrepreneurial competencies received and their effects in performance;

"..My business has improved since I attended entrepreneurship training. My performance has increased after attending entrepreneurship training" (Key informant, VETA Mwanza, March 12th 2022)

Moreover, participant in FGDs conducted in Nangwa VTC in Manyara had the following to say;

…We have been motivated to engage fully in Food production and Design and sewing technology after receiving entrepreneurship training from VETA (Participant in FGD, Nangwa VTC, October 1st 2021)

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All the views from participants are very important to this study because they give a clear picture of the influence of entrepreneurship training on performance of SMEs. There are some changes which were caused by attending training sessions. The performance of SMEs in the labour market is likely to increase because of increasing entrepreneurial knowledge.

**Entrepreneurial Skills Competencies Possessed by VET Graduates owned SMEs -** Entrepreneurial skills composed of problem-solving skills, networking and Planning and organizing skills. Table seven describe these dimensions.

Table - 7: Entrepreneurial Skills competencies possessed by vocational graduates owned SME

| **Variables** | **Before** | | **After** | | **Wilcoxon test** | **Significance** |
|---|---|---|---|---|---|---|
| | Mean | SD | Mean | SD | | |
| **Problem** solving skills | 2.01 | 0.31 | 3.11 | 0.37 | -11.75 | 0.000 |
| Networking | 2.08 | 0.44 | 3.23 | 0.44 | -11.4 | 0.000 |
| **Planning & organizing skills** | 1.98 | 0.43 | 3.17 | 0.43 | -11.58 | 0.000 |

**Source:** Author Calculation

Furthermore, the study evaluated the entrepreneurial skills competencies possessed by vocational graduates owning small and medium-sized enterprises (SMEs). The results indicated a significant difference ($p < 0.05$) in the competencies of problem-solving skills, networking skills, planning, and organizing skills before and after graduation. Upon conducting descriptive analysis, the means were found to be increasing. For instance, problem solving skills increases from 2.01 to 3.11, networking increased from 2.08 to 3.23 and planning and organization from 1.98 to 3.17. This implies that the entrepreneurial knowledge competencies were higher after graduation compared to before graduation. On the other hand, Key informants' interviews (KIIs) and Focus Group Discussions (FGDs) conducted reveals the changes in entrepreneurial skills among VET graduates especially in problem solving skills, networking and planning and organization. This is evidenced by the following quotations.

"…I have learned on how to solve my problems regarding to my business. I am now improving in problem solving skills. I don't use much time in seeking advice to my fellow entrepreneurs" (One participant in FGD, VETA Arusha, April 3rd 2022).

Another participant from VETA Mwanza had the following regarding the entrepreneurial competencies received and its effects in performance;

"…..Thanks for entrepreneurship training. I have increased my network. Before training the number of people whom I met were very small but currently the number of other entrepreneurs has increased" (Key informant, VETA Mwanza, March 12th 2022)

Moreover, one participant in FGDs conducted in Nangwa VTC in Manyara had the following to say;

…We have improved our level of planning and organization of our business. Formerly we were not able to plan and organize our business (One participant in FGD, Nangwa VTC, October 1st 2021)

Based on insights gathered from both Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs), it is evident that entrepreneurship training has indeed influenced the performance of SMEs owned by VET graduates in the labor market. Participants consistently indicated that attending entrepreneurship training had a noticeable impact on the operations and outcomes of their businesses. However, it is important to note that the observed changes were relatively modest, suggesting that while entrepreneurship training has contributed to improvements, further enhancements may be necessary to fully leverage its potential benefits for SMEs owned by VET graduates. Furthermore, the study utilized documentary analysis as a fundamental aspect of data collection to assess the influence of entrepreneurship training on the performance of SMEs owned by VET graduates. Various documents were scrutinized during this process, including the graduates' database, which provided insights into the distribution and current whereabouts of graduates. Additionally, the entrepreneurship curriculum guide was examined to understand the program's contents and objectives. This included analysing the distribution and organization of entrepreneurship topics, as well as reports detailing how entrepreneurship training is implemented. Moreover, the study aimed to gather factual data on the execution of entrepreneurship training. This involved reviewing reports on the number of established SMEs in the labour market and evaluating the performance of these SMEs. Finally, entrepreneurship projects were reviewed to gather further insights into the subject matter. The documentary review highlighted consistent issues across all visited vocational education institutions regarding entrepreneurship training reports, logbooks, and project reports. This suggests that there are systemic challenges in fully integrating entrepreneurial initiatives into training programs, hindering trainees' ability to acquire comprehensive business knowledge, as outlined below. Upon careful examination of the availability of documents, it becomes evident that certain critical documents, including graduates' databases, entrepreneurship curricula, curriculum guides, and training schemes, exhibit consistent availability across all VET institutions, with a commendable strength percentage of 100% in these categories. However, a

notable weakness emerges in the availability of training reports, log books, and project reports, with all VET institutions scoring 0% in these areas. This collective deficiency among the surveyed institutions underscores challenges in documenting and reporting entrepreneurship training activities effectively. The absence of these crucial documents implies potential shortcomings in monitoring, evaluating, and enhancing the efficacy of entrepreneurship education programs within these institutions. In summary, while the institutions demonstrate strength in foundational documentation such as curriculum materials, the lack of documentation regarding training activities and outcomes presents a significant concern. It is imperative to address this gap to enhance the effectiveness and accountability of entrepreneurship education initiatives within the surveyed institutions.

## VII. RECOMMENDATIONS AND POLICY IMPLICATIONS

Based on the influence of entrepreneurship training on the performance of VET graduates who run SMEs in the labour market, several recommendations and policy implications can be proposed to address the impact of entrepreneurship training on VET graduates within SMEs:

1. VET institutions offering entrepreneurship education programs should implement robust documentation practices, including the systematic recording of training reports, logbooks, and project reports. This can be facilitated through standardized templates and digital platforms to ensure consistency and accessibility of documents. VET institutions should develop comprehensive monitoring and evaluation frameworks for entrepreneurship education programs. These frameworks should include clear indicators to assess the progress of VET graduates in acquiring entrepreneurial competencies. Regular evaluations should be conducted to track performance and identify areas for improvement.

2. VET institutions should establish effective feedback mechanisms for both trainers and students to provide insights into the effectiveness of teaching methodologies and learning outcomes. This can be achieved through regular surveys, focus group discussions, and performance reviews to gather feedback on program delivery and student progress. The government and VET institutions should provide training and capacity-building initiatives for trainers to enhance their skills in documenting, monitoring, and evaluating entrepreneurship education programs. This can include workshops, seminars, and professional development opportunities focused on effective documentation practices and assessment techniques.

3. Utilize technology to streamline documentation processes and facilitate real-time monitoring and evaluation of entrepreneurship education programs. Digital platforms and software solutions can be leveraged to automate data collection, analysis, and reporting, improving efficiency and accuracy. Foster partnerships and collaboration between VET institutions, industry stakeholders, and government agencies to support the implementation of effective entrepreneurship training programs. This can involve sharing best practices, resources, and expertise to enhance the quality and relevance of vocational training initiatives.

4. Advocate for policy support and increased funding for entrepreneurship education programs at the governmental level. Governments should recognize the importance of investing in vocational training to empower graduates with the skills and knowledge needed to succeed in the evolving labour market and drive economic growth. By implementing these recommendations and policy implications, stakeholders can address the identified deficiencies in document availability and strengthen the effectiveness and impact of entrepreneurship training on VET graduates within SMEs. This, in turn, will contribute to fostering sustainable growth, enhancing employability, and promoting entrepreneurship development within the economy.

## VIII. CONCLUSION

The research has illuminated the transformative impact of entrepreneurship training on Vocational Education and Training (VET) graduates within Small and Medium Enterprises (SMEs). The findings distinctly outline the significant improvements in performance post-training, emphasizing the crucial role of such initiatives in equipping graduates with the necessary skills and knowledge to thrive in entrepreneurial endeavours. This underscores the importance of continued investment in experiential training programs to reinforce the entrepreneurial capabilities of VET graduates, ultimately fostering sustainable growth within the SME sector. Conversely, the identified deficiencies in document availability regarding the acquisition of entrepreneurial competencies among vocational graduates are of notable concern. The absence of proper documentation, including training reports, log books, and project reports, signifies a lack of systematic monitoring and evaluation of entrepreneurship education programs. This hampers the ability to assess progress effectively, potentially leading to reduced learning outcomes and limited feedback mechanisms for both trainers and students. Furthermore, the absence of essential documents could result in missed opportunities for skill enhancement, impacting graduates' employability and their ability to launch successful entrepreneurial ventures. Therefore, addressing these deficiencies through improved documentation, monitoring, and evaluation processes is imperative to ensure the effectiveness and impact of vocational training programs on graduates' entrepreneurial skills and success.

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