

# Socio-Cultural Determinants of Entrepreneurial Capabilities among the Chagga and Sukuma Small and Medium Enterprises in Tanzania

Robert Galan Mashenene<sup>1\*</sup> Joyce G. Lyimo Macha<sup>2</sup> and Leo Donge<sup>3</sup>

1. College of Business Education, Dodoma Campus, Department of Marketing, P. O Box 2077, Dodoma, Tanzania; E-mail: [gmashenene@yahoo.com](mailto:gmashenene@yahoo.com)

2. Sokoine University of Agriculture, Institute of Continuing Education, P.O Box 3044, Chuo Kikuu, Morogoro, Tanzania; E-mail: [joyce@suanet.ac.tz](mailto:joyce@suanet.ac.tz)

3. Moshi University College of Co-operative and Business Studies, Constituent College of Sokoine University of Agriculture, P.O Box 474, Moshi, Tanzania; E-mail: [leodonge@yahoo.com](mailto:leodonge@yahoo.com)

\*Corresponding author Email: [gmashenene@yahoo.com](mailto:gmashenene@yahoo.com)

## Abstract

This paper examines socio-cultural determinants (SCDs) linked to entrepreneurial capabilities (EC) among the Chagga and Sukuma Small and Medium Enterprises (SMEs) in Tanzania. A survey of 254 owner-managers was conducted in Kilimanjaro and Mwanza regions in order to collect quantitative data and case studies for qualitative data. Descriptive statistics and Binary Logistic Regression Model analysis were employed in estimating the effect of SCDs on EC. Results show that values, social factors, beliefs, norms and perceptions demonstrate positive effects while attitudes show a negative effect on EC among the Chagga and Sukuma. However, results show variation on the effect of SCD on EC between the Chagga and Sukuma in which the effect is stronger among the Chagga than Sukuma. This study concludes that SCDs have effect on EC and its implication is that individuals exposed to such SCDs are likely to have a sounding EC. The study recommends that policy makers should consider the role of SCDs in entrepreneurial undertaking.

**Keywords:** Socio-cultural Determinants, Entrepreneurial Capabilities, Chagga, Sukuma, SMEs, Tanzania

## 1. Introduction

The essence of entrepreneurship lies in the perception and exploitation of new opportunities through bringing about different uses of natural resources in that they withdraw from their traditional and subject them to new combinations including introduction of a new product, method of production, market, source of inputs and organization (Schumpeter, 1934). In Tanzania, Small and Medium Enterprises (SMEs) is used to mean micro, small and medium enterprises engaging up to four people or employing a capital of up to TZS five million, between five and 49 employees or with a capital from TZS 5 to TZS 200 million and between 50 and 99 employees or with a capital from TZS 200 to TZS 800 million respectively (URT, 2003). REPOA (2008) indicates that about a third of GDP in Tanzania originates from SME sector and it contributes to employment creation, income generation and stimulation of economic growth. Social-cultural determinants (SCDs) consist of the whole range of behaviours and relationships in which individuals engage in their personal and private lives, including: the characteristics of the population (e.g. age, sex or ethnicity), values, norms, attitudes, social structure, religion, family, school, peers and media (Wetherly, 2011; Bradt, 2010; Phil, 2010).

According to Tundui (2012) EC are not evenly demonstrated across all ethnic groups in Tanzania since certain social groups are more prone to be engaged in entrepreneurial activities and over-represent others. The argument for this is that SCDs associated with economic growth through entrepreneurial undertaking vary among ethnic groups. Tanzania consists of more than 120 ethnic groups of which the Sukuma are the largest with an estimate of 3.2 million members representing 10-13% of the country's population (Palmer, 2008; URT, 2002). Out of 120 ethnic groups the most commonly pronounced one with enterprising tendencies is the Chagga (Olomi, 2009). The most cited reason for higher EC in this ethnic group is luck of receiving early colonial education (Olomi, 2009). Other ethnic groups such as Haya and Nyakyusa were also privileged with early colonial education, but their enterprising capabilities generally lag behind those of their northern Tanzania counterparts (Olomi, 2009). Thus, the privilege of early education alone cannot sufficiently explain the differences in enterprising capabilities. It is argued instead, social and cultural values regarding entrepreneurship may have important influence on motivational antecedents of entrepreneurial intention (Liñán and Santos, 2007). Also Akpor-robaro (2012) reveals that socio-cultural environment significantly impact both negatively and positively on entrepreneurial emergence in the Nigerian society. Lashgarara *et al.* (2014) reveals that most of respondents (67.8 percent) in Iran believe that the socio-cultural barriers have a high role in entrepreneurial non-development.

Despite the fact that SMEs play a great role in the Tanzanian economy, they are faced by a number of problems including persistent culture that has not recognized the value of entrepreneurial initiative, poor access

to financial services, inaccessibility to business information and lack of adequate training (SIDO, 2010; URT, 2003). In attempting to address these problems, the government has taken some initiatives such as improving infrastructure, loan schemes, provision of entrepreneurial training, access to markets and information and development of 2003 SME policy to promote the sector.

Though entrepreneurship development is associated with many factors aforementioned, the relationship between SCDs and EC has not been rigorously studied in Tanzania. In many studies that have related SCDs and economic development, the variables of socio-culture are assumed and not measured within the studies. This implies that, SCDs have been used as residual rather than explanatory variables (Tundui, 2012; Ndunguru, 2006). The question of interest is how such SCDs influence EC. Despite the fact that SCDs have much bearing on EC elsewhere including Tanzania, yet they are not thoroughly dealt with in academic discourses something which calls for academic inquiry. Therefore, this study examined and analyzed the effects of SCDs on EC among the Chagga and Sukuma SMEs in Tanzania.

## 2. Theoretical Framework and Review of Literature

### 2.1 Theoretical Framework

#### 2.1.1 The Theory of Planned Behaviour (TPB)

The theory was proposed by Ajzen in 1991 which predicts that behaviour can be deliberate or planned and the best predictor of behaviour is intention. Intention is the cognitive representation of a person's readiness to perform a given behaviour and it is influenced by beliefs grouped in six categories including behavioural beliefs, attitude toward the behaviour, normative beliefs, subjective norms, control beliefs and perceived behaviour control. As a general rule, the more favourable the attitude and subjective norm and the greater the perceived control, the stronger should be the person's intention to perform the behaviour in question. The relevance of TPB to this study is that EC is predicted by intention to carry out entrepreneurial activities.

#### 2.1.2 Entrepreneurial Event Model (EEM)

The model was developed by Shapero and Sokol in 1982 which assumes that inertia guides human behaviour until some event "displaces" that inertia and unblocks previously undesired behaviours. A displacement such as job loss might alter the perception of desirability to become self-employed. The model classifies these life path changes into three categories: First, negative displacements such as being fired, divorced or widowed. Second, between things such as graduating from university or released from jail. Third, positive pulls from partner or mentor. The EEM is relevant to the study as displacements trigger an individual's perception of desirability and feasibility which are strongly influenced by culture, family, mentors and role models and they lead to company formation which is the measure of EC in this study.

#### 2.1.3 Three Levels of Uniqueness in Human Mental Programming (TLUHMP)

The model was developed by Hofstede in 2003 by dividing the pyramid of human mental programming into three main levels. *Human nature* is an inherited trait that all humans have, *culture* is learned qualities that are shared with a group (educational, occupational, national etc.) and finally *personality* that is partly inherited and learned trait which is specific to the individual. In the context of this study, an individual's historic environment (family, education, norms, beliefs) have the impact on an individual's entrepreneurial behavioural intention and EC, e.g. long-term goal setting to grow capitals, sales, profits, firm sizes etc.

### 2.2 Empirical Literature Review

#### 2.2.1 Social-cultural determinants and Entrepreneurship

Many scholars have examined SCDs which fuel EC worldwide. Alwis and Senathiraja (2003) in Sri Lanka used the case study and a questionnaire survey among 175 business units among the Tamil and Sinhalese ethnic groups using quantitative and qualitative approaches. The results show that ethnicity plays a dominant role in determining business practices other than others. The European Communities (2011) in Europe conclude that cultural and social factors are the biggest challenges for start-up and existing businesses. Thornton *et al.* (2011) in Spain concludes that it could be an apt framework to analyze the SCFs that influence the decisions to create new businesses. Liñán *et al.* (2009) in Spain recommend that there is a need to further explore the influence of cultural values on the decision of venture creation and on the entrepreneurial orientation of active entrepreneurs. Empirical research from USA, Italy and other developing countries has shown an unusually large number of entrepreneurs had parents who were self employed (Shapero and Sokol, 1982).

In Africa, Lucky (2011) in Nigeria involved 500 owner-managers and policy makers in a cross-sectional study using quantitative data, the results show that entrepreneurial approaches which have been abandoned for a long time including socio-cultural ones, should as a matter of fact be considered as essential and vital in the developing of entrepreneurship. Tshikuku (2001) in Senegal presents that cultural values, attitudes, reflexes, choices and cultural shift are necessary variables in explaining entrepreneurial success. Fortz and Gajigo (2010) using a model of credit transactions based on ethnic density in the Gambia argue that, the Serahule-owned enterprises are indeed larger than those owned by other ethnicities.

In Tanzania, Ndunguru (2006) studied entrepreneurs in Mtwara, Lindi, Ruvuma, Iringa and Mbeya on

entrepreneurial motives and culture using quantitative and statistical techniques. The results show that culture is an important explanatory factor that influences entrepreneurship motivation and start-ups. Ally (2007) examines entrepreneurial propensity among graduates from the Colleges in Dar Es Salaam. The results show that 62% of respondents whose parents had businesses were very interested to start their own businesses. Tundui (2012) investigates gender and small businesses involving 310 owner-managers in Dar Es Salaam, Morogoro, Dodoma and Mwanza using qualitative and quantitative approaches. The results show that social environment, ethnic background, the presence of role models and education levels are significant predictors of SME growth aspirations.

### 2.2.2 The concept of entrepreneurial capability (EC)

EC refers to a means of sensing, selecting, shaping and synchronizing internal and external conditions for exploration and exploitation of opportunities (Zahra, 2011). EC enables a company's transformation through sensing and shaping of opportunities as well as providing specific heuristics to evaluate, select and exploit them (Bingham *et al.*, 2007; Teece, 2007). Indicators of EC include engaging people, market expansion, opportunity recognition, goals setting, use of feedback, risk taking, market leadership, cost efficiency, profitability, firm age, firm size, technology, research and development (R&D), venture creation, increased revenues and capital, product innovation, saving and reinvesting earnings and intrinsic reward (Zahra, 2011; Bascavusoglu-Moreau, 2010; Foltz and Gajigo, 2010; Lennon, 2010).

## 3. Methodology

A cross-sectional study was conducted in Kilimanjaro (Moshi urban and Hai districts) and Mwanza (Nyamagana and Kwimba districts) regions of Tanzania which host a number of SMEs. These were selected purposively to represent other regions in the country because the Sukuma from Mwanza and Chagga from Kilimanjaro are the largest ethnic groups in Tanzania, the Sukuma being the first and the Chagga the third (Palmer, 2008; URT, 2002). Proportionate stratified and purposive sampling techniques were used to select the sample. Structured questionnaire and interview guide were used as tools for during data collection. During the interview, the researcher took some brief notes and recorded the interview session using a mobile phone and after the interview the researcher transcribed the whole story of the owner-manager to develop a case. In case some issues were not clear, the researcher made a telephone call for clarification.

Descriptive and quantitative methods were used in data analysis. Descriptive analysis involved the use of percentages and tables while empirical model was used to estimate the effects of SCDs on EC. Case studies and responses from focus group discussion (FGD) were used in qualitative analysis in order to supplement Quantitative data. To analyze quantitative data we performed a multivariate analysis in order to determine loading factors of independent variables; values, norms, beliefs, attitudes, perceptions and social factors. The nature of multivariate analysis depends a great deal on the nature of data collected. The data in this study are mainly binary, categorical and continuous. The dependent variable is a binary response measuring whether owner-managers have grown capitals, 1= an owner-manager grown capital above or equal to TAS 5 million, and 0= an owner-manager with capital below TAS 5 million.

### 3.1 Empirical Model

Binary Logistic Regression Model (BLRM) was used to determine the effect of independent variables on dependent variable, i.e.

$$\text{Logit}(Y) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon \dots\dots\dots (1)$$

Where by  $Y$  = Entrepreneurial capabilities,  $X_1$  = values,  $X_2$  = social factors,  $X_3$  = attitude,  $X_4$  = beliefs,  $X_5$  = norms,  $X_6$  = perceptions.  $\beta_0, \beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6$  are coefficients in the BLRM which tell how much the logistic changes based on the values of the predictor values.

## 4. Analysis and Findings

### 4.1 Descriptive Analysis

#### 4.1.1 Values

The findings in **Table 2.0** show that 85.5% of SMEs agreed that commitment in business activities is an important variable to enhance EC while only 14.5% disagreed. Also, 52.3% of respondents agreed that ethnic density within ethnic group has the effect on EC while 47.7% disagreed. Moreover, 68.9% of respondents agreed that tolerance of business uncertainties has the effect on EC while 31.1% of respondents disagreed. Also, the results show that 53.2% of SMEs agreed that hedonism has effect on EC while 46.8% disagreed. Furthermore, 53.1% of SMEs agreed that mobility for business opportunities has effect on EC while 46.7% disagreed. Also, 56.6% of owner-managers agreed that innovation and creativity has effect on EC while 43.4% disagreed. Also, the findings show that 55.5% of SMEs agreed that financial discipline has effect on EC while 44.5% disagreed. Additionally, 65.8% of owner-managers agreed that n-Ach affects EC while 34.2% disagreed. Finally, 57.8% of

SMEs agreed that internal locus of control affects EC while 42.2% of SMEs disagreed.

The study compared the values among the Chagga and Sukuma SMEs, **Table 1.0**. The findings show that 100.0% of the Chagga owner-managers agreed that commitment in business activities affects EC while 70.9% of the Sukuma agreed that commitment in business activities affects EC while 29.1% disagreed. Also, 96.1% of the Chagga agreed that ethnic density existing within the ethnic group affects EC while 23.9% disagreed. Contrary to Sukuma, only 8.7% of SMEs agreed that ethnic density exists on business matters within ethnic group while 91.3% disagreed. Also, 99.2% of the Chagga agreed that tolerance in business uncertainties has the effect on EC while only 0.8% disagreed. On the other hand, only 38.6% of the Sukuma agreed that tolerance in business uncertainties has effect on EC while the majority (61.4%) disagreed. Additionally, the majority (96.9%) of the Chagga agreed that hedonism has the effect on EC while only 3.1% disagreed. In contrast, only 9.4% of the Sukuma agreed that hedonism has the effect on EC while the majority (91.6%) disagreed. Furthermore, 99.2% of the Chagga agreed that mobility for business opportunities affects EC while only 0.8% disagreed. On the other hand, only 7.1% of the Sukuma agreed that mobility has the effect on EC while the majority (92.9%) disagreed. Also, 100.0% of the Chagga agreed that innovation and creativity has the effect on EC. In contrast to Sukuma, only 13.4% agreed that they were innovative and creative while the majority 86.6% disagreed. Regarding financial discipline, the majority of the Chagga (99.2%) agreed that financial discipline affects EC while only 0.8% disagreed. In the case of Sukuma, only 11.8% agreed that financial discipline has effect on EC while the majority (88.2%) disagreed. Additionally, 100.0% of the Chagga agreed that high n-Ach has the effect on EC while the majority (68.5%) of Sukuma disagreed to have high n-Ach and only 31.5% of them agreed. Finally, 97.6% of the Chagga agreed that internal locus of control has effect on EC while only 2.4% disagreed. In case of Sukuma, the majority (81.9%) disagreed to have internal locus of control regarding business and only 18.1% agreed to have internal locus of control.

#### *4.1.2 Social Factors*

The findings in **Table 2.0** indicate that 97.3% owner-managers agreed that level of education has effect on EC while 2.7% disagreed. Also, 52.3% of owner-managers agreed that religion influence affects EC while 47.7% disagreed with the statement. Moreover, 57.1% of owner-managers agreed that family background affects EC while 42.9% disagreed. Furthermore, 74.4% of owner-managers agreed that role models in the community have effect on EC while 25.6% disagreed. Additionally, the findings show that 41.3% of owner-managers agreed that business training has effect on EC while 58.7% disagreed. Also, 59.1% of owner-managers agreed that peers and/ or friends have effect on EC while 40.9% disagreed. Finally, 69.2% of owner-managers show that business information has effect on EC while 30.8% disagreed.

The study further compared the effect of social factors between the Chagga and Sukuma SMEs, **Table 1.0**. The findings show that 95.3% of the Chagga SMEs agreed that education has effect on EC while only 4.7% disagreed. In case of Sukuma, 99.2% agreed that education has effect on EC while 0.8% disagreed. Regarding to religion, 58.3% of the Chagga owner-managers agreed that religious influence has effect on EC while 41.7% disagreed. Contrary to Sukuma, 46.5% of owner-managers agreed that religious influence affects EC while the majority (53.5%) disagreed. Also, 81.9% of the Chagga SMEs agreed that family background in business affects EC while only 18.1% disagreed. On the other hand, only 32.3% of Sukuma agreed that family background in business affected their EC while the majority (67.7%) disagreed. Regarding to role models in the community, 92.1% of the Chagga agreed that role models have effect on EC while only 7.9% disagreed. In case of Sukuma, 56.7% of owner-managers agreed that role models have effect on EC while 43.3% disagreed. Moreover, 59.8% of Chagga agreed that business training has effect on EC while 40.2% disagreed. In care of Sukuma, only 22.8% agreed that business training has effect on EC while the majority (77.2%) disagreed. Also, 81.9% of the Chagga agreed that peers and/ or friends owning business affected them to grow their businesses while 18.1% disagreed. On the other hand, only 36.2% of the Sukuma SMEs agreed to have been affected by peers and/ or fiends in their businesses while the majority (63.8%) disagreed. Finally, regarding business information, 78.0% of the Chagga agreed that availability of business information has effect on EC while 22.0% disagreed. Also, the majority of Sukuma agreed that availability of business information affects EC while only 39.4% disagreed.

#### *4.1.3 Attitudes*

The findings in **Table 2.0** show that 44.9% of owner-managers agreed that delegation of important tasks to employees is important while 54.1% disagreed. Also, 40.9% of owner-managers agreed with the statement that seeking employees' opinions is important while 50.1% disagreed. Moreover, 59.5% of owner-managers agreed that consulting subordinates before making decisions is important while 40.5% disagreed. Finally, 57.0% of owner-managers agreed that sharing information with other business owners is important while 43.0% disagreed.

Also the study compared the attitudes affecting EC between the Chagga and Sukuma SMEs, **Table 1.0**. The findings show that 54.3% of the Chagga agreed that it is important to delegate important tasks to employees while 45.7% disagreed. On the other hand, only 35.4% of the Sukuma agreed that it is important to delegate important tasks to employees. Also, 71.7% of the Chagga SMEs agreed that seeking opinions from employees is important while 28.3% disagreed. In contrast, 40.2% of the Sukuma agreed that seeking opinions from

employees is important while the majority (59.8%) disagreed. Moreover, 77.2% of the Chagga agreed that it is important to consult subordinates before making decisions while only 22.8% disagreed. In case of Sukuma, only 41.7% agreed that it is important to consult subordinates before making decisions. Finally, 92.9% of the Chagga agreed that sharing of information with other business owners has effect on EC while only 7.1% disagreed. On the other hand, only 21.3% of the Sukuma agreed that sharing of information with other business owners is important to them while the majority (78.7%) disagreed.

#### *4.1.4 Beliefs*

The findings in **Table 2.0** show that 42.6% of owner-managers agreed that masculinity has effect on EC while 57.4% disagreed. Also, 55.9% of owner-managers agreed that regarding higher successful people in business affects EC while 44.1% disagreed. Finally, 56.7% of owner-managers agreed that emphasis on business as a career path affect EC while 43.3% disagreed.

Also the study compared the effect of beliefs on EC between the Chagga and Sukuma SMEs, **Table 1.0**. The findings show that 17.3% of the Chagga agreed that it is important to have men in higher level position rather than women while 82.7% disagreed. In the Sukuma, the majority (67.7%) agreed that it is important to have men in higher level position rather than women while only 32.3% disagreed. Moreover, 99.2% of the Chagga agreed that regarding higher successful people in business has effect on EC while only 0.8% disagreed. In contrast, only 12.6% of the Sukuma agreed that regarding higher successful people in business has effect on EC while the majority (87.4%) disagreed. Furthermore, the majority (99.2%) of the Chagga agreed that emphasis of business as a career path by the society has effect on EC while only 0.8% disagreed. On the other hand, only 14.2% of the Sukuma agreed that emphasis of business as a career path by the society has effect on EC while the majority (85.8%) disagreed.

#### *4.1.5 Norms*

The findings in **Table 2.0** show that 44.5 % of owner-managers agreed that short-term relationship with business stakeholders affects EC while 55.5% disagreed. Also, 40.5% of owner-managers agreed that early children involvement in business has the effect on EC while 59.5% disagreed. Furthermore, 52.3% of owner-managers agreed that willingness to borrow money from money lenders has the effect on EC while 47.7% disagreed. Finally, 48.8% of owner-managers agreed that readiness to leave other economic activities and start business has the effect on EC while 51.2% disagreed.

The study compared the effect of norms on EC between the Chagga and Sukuma SMEs, **Table 1.0**. The findings reveal that, only 37.8% of the Chagga agreed that short-term relationship with stakeholders is important to success in business while the majority (62.2%) disagreed. In case of Sukuma, the majority (51.2%) agreed that short-term relationship with business stakeholders is important to success in business while only 48.8% disagreed. Furthermore, the majority (80.3%) of the Chagga agreed that early involvement of children has effect on EC while only 19.7% disagreed. In Sukuma only 0.8% agreed that early involvement of children in business is important while the majority (99.2%) disagreed. Furthermore, 97.6% of the Chagga agreed that willingness to borrow from money lenders has effect on EC while only 2.4% disagreed. In contrast to Sukuma, only 7.1% agreed and were willing to borrow money while the majority (92.9%) disagreed. Finally, 92.1% of the Chagga agreed that leaving other economic activities and start business has effect on EC while only 7.9% disagreed. On the other hand, the majority (94.5%) of Sukuma disagreed that leaving other economic activities and start business is important, only a few (5.5%) agreed.

#### *4.1.6 Perception*

The findings in **Table 2.0** reveal that 43.0% of owner-managers agreed that entrepreneurs are born, not made while 57.0% disagreed. Also, 59.8% of owner-managers agreed that making savings and re-investing earnings has the effect on EC while 40.2% disagreed. Moreover, 84.3% of owner-managers agreed that marginalization of individuals from resources has the effect on EC while 15.7% disagreed. Finally, 57.8% of owner-managers agreed that personal saving for start-up capital has the effect on EC.

Also the study compared effect of perceptions on EC among the Chagga and Sukuma SMEs, **Table 1.0**. The findings show that, only 26.8% of the Chagga agreed that entrepreneurs are born and not made while the majority (73.2%) disagreed. In case of Sukuma, the majority (59.1%) agreed that entrepreneurs are born and not made while 40.9% disagreed. Moreover, 98.4% of the Chagga agreed that making savings and re-invest earnings is important for business success while only 1.6% disagreed. Contrary to Sukuma, only 21.3% agreed that they make savings and re-invest earnings in business while the majority (78.7%) disagreed. Moreover, 88.2% of the Chagga agreed that marginalized individuals are most likely to become entrepreneurs and grow their businesses while only 11.8% disagreed. In case of Sukuma, the majority (80.3%) agreed that marginalized individuals are most likely to become entrepreneurs while only 19.7% disagreed. Finally, 99.2% of the Chagga agreed that saving money for start-up capital has effect on EC while only 0.8% disagreed. In case of Sukuma, only 16.5% agreed that saving money for start-up capital is important for business success while the majority (83.5%) disagreed.

## 4.2 Regression Analysis

### 4.2.1 Regression Analysis Results on SCDs affecting EC among the Chagga and Sukuma

The results from Binary Logistic Regression analysis between EC (represented by capital increase) and independent variables are presented in **Table 3.0**. The BLRM result for values was significantly positive related to EC with the coefficient of 0.516 at  $p < 0.000$ . Similarly, social factors were significantly positive related to EC with the coefficient of 0.361 at  $p < 0.010$ . On the other hand, attitude was negatively related with increase in capital with the coefficient of -0.250 at  $p < 0.072$ . Moreover, belief was insignificantly positive related to increase in capital with the coefficient of 0.104 at  $p < 0.448$ . Furthermore, norms were 0.686 significantly positive with the coefficient of 0.686 at  $p < 0.000$ . Finally, perception was positively insignificant positive with the coefficient of 0.201 at  $p < 0.141$ .

**Table 3.0: Effects of SCDs on EC among the Chagga and Sukuma SMEs**

Socio-cultural Determinants	B	S.E.	Sig.	Exp(B)
Values	.516	.140	.000	1.675
Social factors	.361	.141	.010	1.434
Attitudes	-.250	.139	.072	.779
Beliefs	.104	.138	.448	1.110
Norms	.686	.158	.000	1.986
Perceptions	.201	.136	.141	1.223
Constant	-.236	.141	.094	.790

Source: Compiled from field data (2013)

### 4.2.2 Regression Analysis Results of SCDs on EC among the Chagga SMEs

**Table 4.0** presents the results of BLR analysis between EC and independent variables. BLRM result on values was positive and insignificant related to EC with the coefficient of 0.517 at  $p < 0.531$ . Similarly, social factors were positively insignificant with the coefficient of 0.212 at  $p < 0.430$ . On the other hand, attitudes were negatively insignificant related to EC with coefficient of -0.112 at  $p < 0.621$ . Moreover, beliefs were positively insignificant related to EC with the coefficient of 0.076 at  $p < 0.751$ . Furthermore, norms were positively significant related to EC with the coefficient of 0.880 at  $p < 0.000$ . Finally, perception was positively insignificant related to EC with the coefficient of 0.276 at  $p < 0.128$ .

**Table 4.0: Effect of SCDs on capital among the Chagga SMEs**

Socio-cultural Determinants	B	S.E.	Sig.	Exp(B)
Values	.517	.826	.531	1.677
Social factors	.212	.269	.430	1.237
Attitudes	-.112	.227	.621	.894
Beliefs	.076	.240	.751	1.079
Norms	.880	.252	.000	2.411
Perceptions	.276	.181	.128	1.318
Constant	-.128	.814	.875	.880

Source: Compiled from field data (2013)

### 4.2.3 Regression Analysis Results of SCDs affecting EC among the Sukuma SMEs

**Table 5.0** presents the results of BLR analysis between EC (represented by capital increase) and independent variables. BLRM results on values were insignificantly positive related to EC with the coefficient of 0.136 at  $p < 0.753$ . Similarly, social factors were insignificant positive related to EC with the coefficient of 0.209 at  $p < 0.347$ . On the other hand, attitude was negatively insignificant related to EC with the coefficient of -0.268 at  $p < 0.165$ . Moreover, beliefs were negatively insignificant related to EC with the coefficient of -0.302 at  $p < 0.178$ . On the other hand, norms were positively significant related to EC with the coefficient of 0.513 at  $p < 0.010$ . Finally, perception was 0.098 positively insignificant from zero ( $p < 0.134$ ).

**Table 5.0: Effect of SCDs on capital among the Sukuma SMEs**

Socio-cultural Determinants	B	S.E.	Sig.	Exp(B)
Values	.136	.431	.753	1.146
Social factors	.209	.222	.347	1.232
Attitude	-.268	.193	.165	.765
Belief	-.302	.225	.178	.739
Norm	.513	.200	.010	1.670
Perception	.098	.253	.698	1.103
Constant	-.707	.472	.134	.493

Source: Compiled from field data (2013)

## 5. Discussion of Findings

### 5.1 Values

The findings from BLRM among the Chagga and Sukuma on values show that the coefficient of values is 0.516 and  $p < 0.000$ . This means that a favourable unit change in values will result into an increase in capital by 51.6% which is a reasonable increase to remark sound increase in entrepreneurial capabilities. The implication of these findings is reflected from the descriptive findings that all responses range between 52.3% (ethnic density within ethnic group) and 85.5% (commitment in business activities). It is evident that since all responses in variables constituting values are within this range, their effect toward EC also is reasonable. Obvious commitment on entrepreneurial undertaking (85.5%) will make an owner-manager grow his/her business and consequently growth capital. Through case studies, we found that 87.5% of SMEs in case studies were very committed with their business undertaking. Through discussion in the case WSB said *“Real, it is through commitment I have managed to grow my capital from TAS 10 million (start-up capital) to TAS 250 million. Also the number of employees has grown from 3 (in 2001) to 20 (in 2013) and expanded my business from 1 business (in 2001) to 6 different businesses (in 2013).”*

On the other hand, strong ethnic density (52.3%) tends to make entrepreneurs grow their businesses as they can easily mobilize capital from ethnic group members. These findings are consistent with those found in the case study that 50.0% of SMEs in the cases said that ethnic density within themselves has helped them to grow their business. FM supported this by saying *“I thank my friend Jane who supported me by providing me with working equipment (tables, chairs, cooking utensils etc) at the moment I started my food vending business (in Kiswahili known as Mama Lishe). Also I am indebted very much to thank my friend who gave me a business-site rent-free with almost all the necessary business equipment, to me, this was a remarkable and unforgettable support. This support has enabled me to grow my business as today my business has grown from TAS 10,000 (start-up capital) in 2001 to TAS 50 million in 2013. also the number of employees has increased from 3 (2001) to 9 (2013).”* These findings are consistent with findings in Foltz and Gajigo (2010) study which indicate that the Serahule ethnic group of Gambia which is ethnically dense is entrepreneurially successful, larger and more profitable as their enterprises have better sources of finance including credit. Also the findings are consistent with Alwis and Senathiraja (2003) study in Sri Lanka which shows that ethnicity plays a dominant role in determining business practices other than others. Also the findings are in harmony with Mungai and Ogot (2012) study in Kenya which concludes that ethnic cultures play a more dominant role in moulding the values and perceptions of its citizens than national cultures.

Tolerance for business uncertainties is an important variable of values which is critical for business success. The implication of findings from descriptive statistics on the level of agreement on the effect of tolerance (68.9%) on EC suggests that owner-managers who are tolerant are most likely to be successful. These findings are in harmony with one of cultural dimensions of Hofstede's three levels of uniqueness in human mental programming theory (2003) which addresses that individual with low uncertainty avoidance index (UAI) deals with a society's tolerance for uncertainty and ambiguity and are more likely to be successful.

Regarding hedonism with 53.2% level of agreement on its effect to EC, it is evident that individuals who regard higher living an enjoyable and comfortable life will struggle to grow their business so as to have enough money to live such life. Through FGD with village leaders at Uduru village in Hai district and Isagalla village in Kwimba district, the leader from Uduru reported that *“100% of the houses for my households (643 households) in Uduru village are roofed by iron sheets! On the other hand, the leader from Isagalla village reported that “in my village, only 15% (55 houses) of all houses for my households (365) are roofed with iron sheets and the rest are roofed with grasses. The reason for people to roof their houses with grasses is fear of witch craft if they adopt hedonism”.*

Regarding innovation and creativity, it is evident that innovative entrepreneurs are most likely to use innovation as a competitive advantage to win completion. These findings are consistent with Schumpeter (1934) who suggests that innovation is concerned with exploitation of new opportunities through bringing about different uses of natural resources in that they withdraw from their traditional and subject them to new combinations including introduction of a new product, method of production, market, source of inputs and organization.

The implication of the findings from financial discipline of owner-manager is reflected on the sense that owner-managers with higher financial discipline will grow their businesses better than those with poor financial discipline. Through the FGD held in Kwimba district we found the following *“to be sincere financial discipline within Sukuma is very low as normally they tend to misuse business funds with hope that there will be another chance of getting money in future. This mean that once an entrepreneur gets money can use it extravagantly since there is a possibility of finding another money. This has been a very destructive idea in our people's mind in Sukuma land as the result most of them do not grow the capital of their businesses as what they get it is used up unwisely”.* We also received the responses from the FGD we conducted in Hai district *“the financial discipline among Chagga is very high since every business owner wants to grow its capital bigger and*

enjoy success. That is why a Chagga could start with a very small business say retailing cigarette, groundnuts etc but after sometimes you find this person becomes successful due to good financial discipline”.

The findings regarding high n-Ach suggest that individuals with high n-Ach are most likely to have better EC than those with low n-Ach. The reasons for higher achievers to have better EC than lower achievers is being ambitious for success, hard working spirit and tolerance. These reasons are justified by a case from VL. “The secrecy for my success in business is high ambition for success I had since I was still you in early 1960s. In order to achieve my dreams becoming a higher achiever in business, in 1969 I resigned my job from being a civil servant and started business. From there I worked very hard tirelessly until today. I have survived in this business for 44 years now and my business has grown in term of capital from TAS 500 (1961) to TAS 210 million” (in 2013). These findings are consistent with McClelland theory of n-Ach (1961) which suggests that individuals with a deep n-Ach were more likely to start their own businesses than those with low n-Ach. He suggested that individuals with high n-Ach were more likely to choose entrepreneurial careers than others.

The findings regarding internal locus of control is reflected on a sense of accomplishment in business. This is to say, an owner-manager with internal locus of control will finish what they start. These findings are in harmony with psychological model “internals” are more likely to establish businesses and to strive for achievement than “externals”.

Generally, implication of the coefficients of values from the Chagga (0.517) and that of Sukuma (0.136) imply that the contribution of values to the Chagga’s (51.7%) EC is stronger than that of Sukuma (13.6%). From these findings it is obvious that the EC of the Chagga owner-managers is higher than that of Sukuma by far. Also descriptive statistics have shown that the variables in the Chagga values have scored higher than those from Sukuma by far. Likewise, the scores of the values from the Chagga are higher than those of Sukuma. These findings in general are consistent those of Ndunguru (2006) which indicate that culture is an important explanatory factor that influences entrepreneurship motivation and start-ups. Also the findings are in harmony with Hofstede’s theory (2003) which addresses that culture is learned qualities that are shared with a group (educational, occupational, national etc).

### 5.2 Social Factors

The findings from BLRM among the Chagga and Sukuma on social factors show that the coefficient of social factors is 0.361 and sig.0.010. This means that a favourable unit change in social factors will result into an increase in capital by 36.1% which is a positive contribution to entrepreneurial capabilities. The implication of the findings on social factors on EC is that its contribution to EC is positive though not strong. In comparing the coefficients of social factors 0.212 (Chagga) and 0.209 (Sukuma) we find that there is no a significant difference between the effect of social factors to Chagga and Sukuma SMEs. The reasons for this could be that, in descriptive analysis we found that the score of the effect of education level and availability of business training and business information on EC is more less the same between the Chagga and Sukuma. However, a slight difference in the contribution of social factors to EC, i.e. 21.2% (Chagga) and 20.9% (Sukuma) has evidently contributed by the higher scores by the Chagga in family background in business, availability of role models and peers/ and or friends. These findings are consistent with Shapero and Sokol (1982) which suggests that offspring of entrepreneurial families are more likely to be involved in business than others. A person who grows up around a family that runs a business is likely to benefit from the skills, accumulated experience and connections of the existing firm and he or she is also likely to have better access to advice, credit, established markets, source of inputs etc. Also the findings are supported by arguments of (Majenga, 2013; Tundui, 2012) that socio-cultural factors have the effect on the growth of small businesses. Additionally, these findings are in harmony with Koe and Majid (2014) study which concludes that social factor and social norms were significant factors affecting intention toward sustainable entrepreneurship in Malaysia.

### 5.3 Attitudes

The findings from BLRM among the Chagga and Sukuma on attitudes show that the coefficient of attitudes is -0.250. This means that any unfavourable unit change in attitude will result into a decrease in capital by 25.0% which is a negative contribution to EC. The implication of the findings on social factors on EC is that attitudes have a weak negative effect on EC. In comparing the coefficients of attitudes -0.112 (Chagga) and -0.268 (Sukuma), we find that there is a stronger negative effect of attitude on EC among the Sukuma than Chagga, i.e. 11.2% for the Chagga compared to 26.8% for the Sukuma. The reasons for this negative effect of attitude on EC could be that due to the negative responses we got from owner-managers regarding involvement of employees in decision making. This also was supported by the responses from a case study by YN who said “*there no need for me to delegate important tasks to employees since I don’t trust them in terms of trustfulness and commitment. Also I seldom ask for opinions from my employees and most of the decisions regarding the business I make myself without involving subordinates since the business is mine. Do you know what? There some employees who can give you a misleading advise if you involve them in decision making*”. The implication of these findings shows that there is a power distance between owner-managers and employees in terms of employees’ empowerment and participation. These findings are supported by Hofstede’s theory (2003) in one of its cultural



values on Power Distance Index (PDI) that is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. Ndunguru (2006) also found that there is a higher PDI among business owners and employees in Tanzania.

#### 5.4 Beliefs

The findings from BLRM among the Chagga and Sukuma on beliefs show that the coefficient of beliefs is 0.104. This means that a favourable unit change in belief will result into an increase in capital by 10.4% which is a positive contribution to EC. The implication of the findings on belief on EC is that beliefs have a positive effect on EC. In comparing the coefficients of beliefs 0.076 (Chagga) and -0.302 (Sukuma), we find that there is a weaker effect of beliefs on EC among the Chagga while for the Sukuma there is a negative effect of beliefs on EC. This means that, a favourable unit change in belief among the Chagga will result into an increase in capital by 7.6% and any unfavourable unit change in beliefs among the Sukuma will result into a decrease in capital by 30.2%. The discrepancy on the beliefs between the Chagga and Sukuma can be evidently explained by descriptive findings which show that the Chagga are less masculine than the Sukuma, **Table 6.0**. These findings are supported with the Hofstede's theory (2003) which supports that societies which are less masculine are most likely to be successful than those which are more masculine. Also, descriptive statistics show that there is a higher regard of successful people in business in the Chagga than in Sukuma as the result the Chagga are favoured with this components of belief and are more likely to have better EC than Sukuma. These findings are supported by a case study from YN who said *"in Sukuma land, there is a very low regard of people engaging in business even if they are successful. Normally, success through business is associated with superstition and witch craft, theft, robbery and killing! This means that those individuals involved in business are suspected to engage themselves in theft and robbery cases since the majority of the Sukuma believe that, it is impossible for someone to get rich through business. Such beliefs have been acting as stumbling blocks for entrepreneurial success among the Sukuma SMEs"*.

**Table 6.0 Sex of respondents among the Chagga and Sukuma SMEs**

Sex of respondents	Ethnic group		Total
	Chagga	Sukuma	
Female	61 (48.0%)	33(26.0%)	94 (37.0%)
Male	66 (52.0%)	94 (74.0%)	160 (63.0%)
Total	127 (100.0%)	127(100.0%)	254 (100.00%)

Source: Compiled from field data (2013)

#### 5.5 Norms

The findings from BLRM among the Chagga and Sukuma on norms show that the coefficient of norms is 0.686. This means that a favourable unit change in norms will result into an increase in capital by 68.6% which is a positive contribution to EC. The implication of the findings on norms to EC is that norms have a positive effect on EC. In comparing the coefficients of norms 0.880 (Chagga) and 0.513 (Sukuma), we find that there is a stronger positive effect of norms on EC among the Chagga (88.0%) than in the Sukuma (51.3%). The implication of these findings is that norms have positive effect on EC in both Chagga and Sukuma SMEs though statistically the effect is higher in Chagga than Sukuma. These variations among ethnic groups could better be explained descriptively that children involvement and willingness to borrow from financial institutions among the Chagga is higher in the Sukuma. These findings are supported by those from the FGD *"I have a live example in my life experience; I was living with my young brother since when he was in standard IV of primary education. I started involving him in my business since he was in standard IV, some people blamed me for involving a kid in business but I did not care since I believed that I was mentoring him towards business arena since in Kiswahili we say "samaki mkunje yungali mbichi" which means you need to fold fish while still fresh! Today my young brother owns a very paying business in Dar Es Salaam despite he is a graduate in economics from the University of Dar Es Salaam. It is through involvement of my young brother in my business he acquired entrepreneurial behavior and competencies"*. These findings are in harmony with those of Shapero and Sokol (1982) which show that offspring of parents owning business are more likely to choose entrepreneurial career than others. Accordingly, Shapero and Sokol (1982) assume that inertia guides human behaviour until some event "displaces" that inertia and unblocks previously undesired behaviours. According to Shapero and Sokol, the inertia is represented by socio-cultural determinants which guide entrepreneurial capabilities. Also, these findings are consistent with the theory of planned behavior (TPB) by Ajzen (1991) which predicts that behaviour can be deliberate or planned and the best predictor of behaviour is intention. Finally, these findings are congruent to the Hofstede's theory (2003) which suggests that culture is learned qualities that are shared within a group.

#### 5.6 Perceptions

The findings from BLRM among the Chagga and Sukuma on perceptions show that the coefficient of perception is 0.201. This means that a favourable unit change in perception will result into an increase in capital by 20.1% which is a positive contribution to EC. The implication of the findings on perceptions on EC is that its

contribution to EC is positive though not strong. In comparing the coefficients of perceptions 0.276 (Chagga) and 0.098 (Sukuma), we find that the contribution of capital increase by a favourable unit change among the Chagga (27.6%) is higher than in Sukuma (9.8%). This variation in findings between the Chagga and Sukuma could be explained basing on the differences in perceptions between them. These findings are supported by a case from YS who said *“it is not easy to be successful in business unless if your parents own or owned a business. In Sukuma land we don’t believe that an individual’s entrepreneurial behavior and capabilities can be the outcome of someone’s interaction in a social environment, instead, we believe that entrepreneurial behaviour is inherited from parents. Also, the Sukuma believe strongly that success in business cannot happen if someone does involve witch crafts in his/her business”*. These findings are in harmony with those of Schiebold (2011) study which indicate that EC is embedded in the founder’s socio-cultural environment and it is the determinant of success for micro entrepreneurs.

## 6. Conclusions and Recommendations

This paper concludes that SCDs have the effect on EC among the Chagga and Sukuma SMEs in Tanzania. The study used qualitative and quantitative methods to analyze SCDs linked to EC among the Chagga and Sukuma SMEs. The findings show that norms, values and social factors contribute significantly to EC among the Chagga and Sukuma SMEs. Furthermore, perceptions and beliefs show positive insignificant effect to EC among the Chagga and Sukuma SMEs. On the other hand, attitudes show a negative effect to EC among the Chagga and Sukuma SMEs. However, values, norms, social factors and perceptions in the Chagga show stronger positive effects to EC than in the Sukuma. Furthermore, beliefs for the Chagga show a weak positive effect to EC while the same shows a negative effect to the Sukuma’s EC. Additionally, attitudes among the Chagga and Sukuma show a negative effect to EC though the effect among the Chagga contributes a weaker effect than in the Sukuma. The implication of these findings is that individuals should be seriously exposed to SCD favouring EC. On the other side of a coin, unfavourable SCDs should be strongly abolished as they impair EC among Tanzanian SMEs.

In the case of the Chagga, it is evidence that SCDs have brought a positive impact on EC since most of them are exposed to entrepreneurial activities since they are still young. To the Chagga, entrepreneurial undertaking is highly respected like other economic activities. To the Chagga, any person living without participating into any entrepreneurial activity would be viewed by the society as a great sinner. They always wonder how possible it is for an individual to live without any business if at all he/she is a real Chagga. To them, entrepreneurial undertaking is something highly appreciated regardless of the type of the business being undertaken. To the Chagga, entrepreneurial undertaking has become part and parcel of their lives as always they encourage and support each other in order to ensure that they become entrepreneurially successful. To honour such Socio-cultural environment they are living, every Chagga who starts a business strives to make sure he/she proves to the society that he/she is a Chagga by growing that business. The evidence from the Chagga in recent years in many areas indicates that every family member (father, mother and children) are being involved in business. As the result, every member of the family plays a role in growing the family business and gets experience of starting and managing his/her own business in future.

In the case of the Sukuma, EC has been negatively affected by the SCDs as historically their main economic activities were crop cultivation and animal keeping. The great emphasis which was being given to young generations was to concentrate sharply to agricultural activities. The evidence from Sukuma indicates that, business activity was among the activities which were not respected at all by the society. Following such poor regard of business activities, even the Sukuma who were entering into business were just forcing since the society was against with entrepreneurial undertakings. Additionally, the Sukuma who were becoming successful in business were being associated with theft and superstition power since the society did not honour business activities. This anti-entrepreneurial culture has played a great role in decelerating EC among the Sukuma and it has been transmitted to the existing generation. However, the evidence from Sukuma in recent years in many areas indicates that people are beginning to change positively with regard to EC, i.e. converting the weaknesses (anti-entrepreneurial culture) in the society to advantages of opportunities to launch entrepreneurial undertakings.

The policy recommendation arising from these findings includes; a need for policy makers to integrate SCDs linked to EC in school or college/university curricula in order to unfold the understanding of these determinants and their effects to business performance. Special strategy of using case studies of successful and unsuccessful individuals covering SCDs should be developed and adopted by schools and colleges/universities in order to provide a practical baseline in teaching entrepreneurship subject. Additionally, special campaigns should be implemented in order to discourage anti-entrepreneurial cultures and promote the favourable ones. Specifically, the government must design educative programmes to enable people know and regard valuable SCDs fueling EC. This can be achieved through the establishment of socio-cultural orientation and change agencies that consists of media, sociologists, psychologists, mentors and other practitioners who can design and implement appropriate and effective culture re-engineering and re-orientation programmes that can shape

individuals toward a positive entrepreneurial culture and hence improve EC. Also the paper recommends that individuals, families and ethnic groups must pick up the favourable entrepreneurial SCDs and discourage the unfavourable ones. Specifically, participation of all family members (parents and children) in entrepreneurial activities can improve EC within ethnic groups.

The recommendation to academicians is that another study on the same area should be conducted including more than two ethnic groups in order to avoid inclination of the effects on one ethnic group. Also, another study should be conducted in order to identify the effect of sub-culture on EC. This proposition follows the facts that numerous sub-culture exist within the Chagga and Sukuma ethnic groups.

## 7. Acknowledgements

I am thankful to My Employer and Sponsor, the College of Business Education (CBE), Dodoma, for providing me a full financial support and encouragement throughout the time of this study. I also thank all staff at CBE for your support and encouragement you provided me from the beginning of this study. I am greatly indebted to my wife Anastazia, my children and all family members for support and sacrifices they made so that I could complete this study.

## References

- Ally, M. (2007). Entrepreneurial Propensity among School and College Students in Tanzania. Dissertation for the Award of MBA Degree at the University of Dar Es Salaam, Dar Es Salaam, Tanzania.
- Akpor-robaro, M.O.M. (2012). The Impact Socio-Cultural Environment on Entrepreneurial Emergence: A Theoretical Analysis of Nigerian Society. *European Journal of Business and Management*. Vol 4, No. 16, 2012.
- Ajzen, I. (1991). The Theory of Planned Behaviour. *Organizational Behaviour and Human Decision Processes* 50 (2): 179-211.
- Alwis, W.P.G. and Senathiraja, R. (2003). The Impact of Socio – Cultural Background of the Entrepreneur on Management and Business Practices of selected Small and Medium Scale Businesses in Sri Lanka. 9th International conference on Sri Lanka”, 28-30 November 2003. Matara, Sri Lanka, 2-22pp.
- Bascavusoglu-Moreau, E. (2010). Entrepreneurship and National System of Innovation. What is Missing in Turkey? United Nations University UNU-MERIT. Maastricht, The Netherland. *Working Paper Series No. 2010-030*.
- Bingham, C.B., Eisenhardt, K.M. and Furr, N.R. (2007). What makes a process a capability? Heuristics, strategy and effective capture of opportunities. *Strategic Entrepreneurship Journal*, 1(1-2), 27-47.
- Bradt, G. (2010). Brave Framework for Thinking about Culture. Prime Genesis, New York, USA.
- European Communities (2011). Draft Context Analysis. Rural Entrepreneurship in Selected EU Member States. NRN Joint Thematic Initiative on Rural Entrepreneurship. European Network for Rural Development.
- Foltz, J. D. and Gajigo, O. (2010). Ethnic Networks and Enterprise Credit. The Serahules of The Gambia. Selected Paper prepared for presentation at the Agricultural and Applied Economics Association’s 2010 AAEA, CAES & WAEA Joint Annual Meeting, Denver, Colorado, 25-27 July, 2010. 31pp.
- Hofstede, G. (2003). Culture’s Consequences: comparing values, behaviours, institutions and organizations across nations (2nd edition ed.). Sage Publications, Newbury Park.
- Koe, W. and Majid, I. A. (2014). Socio-Cultural Factors and Intention towards Sustainable Entrepreneurship. *Eurasian Journal of Business and Economics* 2014, 7(13), 145-156.
- Lashgarara, F., Alidoust, S. and Hosseini, J.F. (2014). Identification Obstacles of Rural Women Entrepreneurship Development in Garmsar, Township, Iran. *BRIS Journal of Adv. S & T (ISSN. 0971-9563)*. Vol. 2(4), pp.6-13.
- Lennon, G. (2010). *E-Scan and Speed WM Pilot Programme Report. Leveraging Entrepreneurial DNA into Better Business Performance*. I2R, (UK), Ltd, 4pp.
- Liñán, F., Moriano, J. A., Romero, I., Rueda, S., Tejada, P. and Fernández, J. (2009). VIE Project. Cultural values and socioeconomic factors as determinants of entrepreneurial intentions. *ESU Conference*. Benevento, Italy, 8-13 September, 2009. 14pp.
- Liñán, F. and Santos, F.J. (2007). Does social capital affect entrepreneurial intentions?" *International Advances in Economic Research*, 13(4), 443-453.
- Lucky, E.O. (2011). Nurturing Entrepreneurship Development in the 21<sup>st</sup> Century: The Practical Approaches. *International Journal of Humanities and Social Sciences*, 1(9), 225.
- Mungai, E.N. and Ogot, M. (2012). Gender, Culture and Entrepreneurship in Kenya. Canadian Centre of Science and Education. *International Business Research*, 5(5); May 2012
- Ndunguru, P. C. (2006). Entrepreneurial Motives and Culture. A Case Study of Southeast and Southern Highlands of Tanzania”. A thesis submitted in fulfillment of the Requirements for the degree of Doctor of Philosophy at the University of Dar Es Salaam, Tanzania.
- Olomi, D. R. (2009). African Entrepreneurship and Small Business Development: Context and Process. Otme

Company Limited, Dar Es Salaam, Tanzania.

Palmer, R. (October 2008). The Tribes of Tanzania. [<http://robertpalmer.articlealley.com/tribes-of-tanzania-658621.html>] site visited on 10/05/2012.

Phil, A. (2010). Socialization and Social Interaction. [[http://schoolworkhelper.net/.St.Rosemary Educational Institution](http://schoolworkhelper.net/.St.Rosemary%20Educational%20Institution)] site visited on 18/05/2012.

REPOA (2008). The Role of Small Business in Poverty Alleviation: The Case of Dar Es Salaam, Tanzani. Mkuki na Nyota Publishers, Dar Es Salaam, Tanzania.

SIDO (2010b). Focus on Marketing and Information Technology. Newsletter of Small Industries Development Organization. Issue 30, April-2010. [<http://www.sido.go.tz>] site visited on 30/11/2012.

SIDO (2010a). Focus on Financial Services. Newsletter of Small Industries Development Organization. Issue 29, January 2010. [<http://www.sido.go.tz>] site visited on 30/11/2012.

Schiebold, M. (2011). Towards a Framework of Success Determinants for Micro-Entrepreneurs: The Case of SwissWaterKiosk in Mozambique. Thesis Submitted for the award of a bachelor degree at University of St. Gallen, Mozambique.

Schumpeter, J. (1934). The Theory of Economic Development. An inquiry into Profits, Capital, Credit, Interest and Business Cycle. Cambridge, MA: Harvard University Press.

Shapiro, A. and Sokol, L. (1982). Social dimensions of entrepreneurship. In C.A. Kent, D.L. Sexton and K.H. Vesper (Eds.), Encyclopedia of entrepreneurship (pp.72-90), Prentice Hall, Englewood Cliffs (NJ).

Thornton, P.H., Somiaro, D.R. and Urbano, D. (2011). Socio-Cultural factors and Entrepreneurial Activity: An Overview. SAGE. *International Small Business Journal*, 29(2), 105-118.

Tshikuku, K. (2001). Culture, Entrepreneurship and Development in Africa. In: *Proceedings of International Conference on the Cultural Approach to Development in Africa*, 10-14 December 2001, Dakar, Senegal. 1-25pp.

Tundui, H. P. (2012). Gender and Small Business Growth in Tanzania: The Role of Habitus. A thesis submitted in fulfillment of the Requirements for the degree of Doctor of Philosophy at the University of Groningen, Groningen, the Netherlands.

United Republic of Tanzania (2003). Small and Medium Enterprise Development Policy 2003.

United Republic of Tanzania (2002). Population and Housing Census 2002.

Weatherly, P. (2011). The social and cultural environment. [[http://www.oup.com/uk/orc/bin/97801999203055/Weatherly\\_ch05.pdf](http://www.oup.com/uk/orc/bin/97801999203055/Weatherly_ch05.pdf)] site visited on 17/05/2012.

Zahra, S.A. (2011). *Entrepreneurial Capability: Opportunity Pursuit and Game Changing*. DRUID Society, Copenhagen Business School, Denmark, 15-17 July, 2011. 30pp.

**Table 1.0: SCDs affecting EC between the Chagga and Sukuma SMEs in Tanzania**

Variables	% agreed		% disagree	
	Chagga	Sukuma	Chagga	Sukuma
<b>Values</b>				
Commitment in business activities	100	70.9	0	29.1
Ethnic density within ethnic group	96.1	8.7	3.9	91.3
Tolerance in business uncertainties	99.2	38.6	0.8	61.4
Hedonism	96.9	9.4	3.1	90.6
Mobility for business opportunities	99.2	7.1	0.8	92.9
Innovation and creativity	100	13.4	0	86.6
Financial discipline	99.2	11.8	0.8	88.2
High n-Ach	100	31.5	0	68.5
Internal locus of control	97.6	18.1	2.4	81.9
<b>Social Factors</b>				
Level of education	95.3	99.2	4.7	0.8
Religious influence	58.3	46.5	41.7	53.5
Family background in business	81.9	32.3	18.1	67.7
Role models in the community	92.1	56.7	7.9	43.3
Business training	59.8	22.8	40.2	77.2
Peers/friends owning business	81.9	36.2	18.1	63.8
Business information	78	60.6	22	39.4
<b>Attitudes</b>				
Delegation of important tasks to employees	54.3	35.4	45.7	64.6
Seeking opinions from employees	71.7	40.2	28.3	59.8
Consulting subordinates before making decisions	77.2	41.7	22.8	58.3
Sharing information with other business owners	92.9	21.3	7.1	78.7
<b>Beliefs</b>				
Masculinity	17.3	67.7	82.7	32.3
Regarding higher successful people in business	99.2	12.6	0.8	87.4
Emphasis of business as a career path	99.2	14.2	0.8	85.8
<b>Norms</b>				
Short-term relationship with stakeholders	37.8	51.2	62.2	48.8
Children involvement in business	80.3	0.8	19.7	99.2
Willingness to borrow from money lenders	97.6	7.1	2.4	92.9
Leaving other economic activities and start business	92.1	5.5	7.9	94.5
<b>Perceptions</b>				
Entrepreneurs are born and not made	26.8	59.1	73.2	40.9
Making savings and re-invest earnings	98.4	21.3	1.6	78.7
Marginalized individuals from resources	88.2	80.3	11.8	19.7
Saving money for start-up capital	99.2	16.5	0.8	83.5

Source: Compiled from field data (2013)

**Table 2.0: SCDs affecting EC among the Chagga and Sukuma SMEs in Tanzania**

Variables	Percentage of SMEs	
	Agreed	Disagreed
<b>Values</b>		
Commitment in business activities	85.5	14.5
Ethnic density within ethnic group	52.3	47.7
Tolerance in business uncertainties	68.9	31.1
Hedonism	53.2	46.7
Mobility for business opportunities	53.1	46.7
Innovation and creativity	56.6	43.4
Financial discipline	55.5	44.5
High n-Ach	65.8	34.2
Internal locus of control	57.8	42.2
<b>Social Factors</b>		
Level of education	97.3	2.7
Religious influence	52.3	47.7
Family background in business	57.1	42.9
Role models in the community	74.4	25.6
Business training	41.3	58.7
Peers/friends owning business	59.1	40.9
Business information	69.2	30.8
<b>Attitudes</b>		
Delegation of important tasks to employees	44.9	54.1
Seeking opinions from employees	40.9	50.1
Consulting subordinates before making decisions	59.5	40.5
Sharing information with other business owners	57.0	43.0
<b>Beliefs</b>		
Masculinity	42.6	57.4
Regarding higher successful people in business	55.9	44.1
Emphasis of business as a career path	56.7	43.3
<b>Norms</b>		
Short-term relationship with stakeholders	44.5	55.5
Children involvement in business	40.5	59.5
Willingness to borrow from money lenders	52.3	47.7
Leaving other economic activities and start business	48.8	51.2
<b>Perceptions</b>		
Entrepreneurs are born and not made	43.0	57.0
Making savings and re-invest earnings	59.8	40.2
Marginalized individuals from resources	84.3	15.7
Saving money for start-up capital	57.8	42.2

Source: Compiled from field data (2013)

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:  
<http://www.iiste.org>

## CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

**Prospective authors of journals can find the submission instruction on the following page:** <http://www.iiste.org/journals/> All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

## MORE RESOURCES

Book publication information: <http://www.iiste.org/book/>

## IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

