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Jesca Mhoja Nkwabi, Jenifer Mhoja Nkwabi and Joyce Mhoja Nkwabi

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A REVIEW OF THE CHALLENGES AFFECTING THE SUCCESS OF SMALL AND MEDIUM ENTERPRISES (SME) OF WOMEN ENTREPRENEURS IN TANZANIA

Jesca Mhoja Nkwabi,

*Student, University of The West of Scotland, School of Business and Creative Industries,
Department of Business and Enterprise, London, United Kingdom, SE1 6NP*

Jenifer Mhoja Nkwabi

*DBA Student University of Wales, Trinity Saint David Department Of Business And
Management. London United Kingdom, SW9 6EJ*

Joyce Mhoja Nkwabi

*DBA Student, Northumbria University, Department Of Business. Newcastle United Kingdom,
NE1 8ST*

**Corresponding author E-mail: jesyoncy77@gmail.com*

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ABSTRACT

The purpose of this research was to review the challenges affecting women entrepreneurs. In spite of the growth of entrepreneurial activities in Tanzania, researchers in this area have failed to adequately document the issues that women entrepreneurs face. Most researchers have focused only on the socio-cultural challenges such as women's immobility, poor support from society, ethnicity, a lack of support from their family, a low level of education and discrimination when it comes to accessing finances. 12 items of literature from developing countries written recently within the last five years (2014) were reviewed to find out the challenges that affect women entrepreneurs. The findings of this research indicate that women entrepreneurs not only face socio-cultural challenges, but they are also impacted by other factors such as low business knowledge, financial constraints, a lack of support from the government, low business training and a lack of raw materials. In light of these findings, future researchers in Tanzania should aim to look at the factors that go beyond the sociocultural challenges to provide recommendations that will enable women entrepreneurs to sustain their business in the market.

1. INTRODUCTION

Small and medium enterprises (SMEs) have become popular due to their impact on the development of various economies (Nkwabi 2019). However, despite the increase of SMEs in various nations, the ownership of the majority of these firms is still male dominated, notwithstanding the increase of entrepreneurial activities by women (Maziku, Majenga, and Mashenene, 2014). In Tanzania, although the majority of small businesses are led by women, the growth of such firms is limited compared to

their male counterparts. This can be explained by several factors such as low business knowledge, the use of outdated technology, the failure to access markets and other socio-cultural challenges such as a lack of support from their family members, family roles, being risk-averse and ethnicity. Previous studies by Maziku, Majenga, and Mashenene (2014), Mashenene, Macha and Donge (2014) and Kapinga & Montero (2017) have attempted to address the factors impacting women's entrepreneurship. These studies have solely focused on the socio-cultural challenges impeding the growth of women entrepreneurs in Tanzania. We argue that women entrepreneurs are not only constrained by social-cultural challenges but also face other impediments such as limitations in finances, availability of raw materials, failure to market their products and competition from multinational companies. The same is supported by (Jose, 2018; Jabeen, Faisal, Al Matroushi & Farouk, 2019; Orser Riding & Li, 2019) who reported issues such as technological difficulties and lack of innovation to be significant factors impacting the success of women entrepreneurs. This study, therefore, aims to look at the other factors that go beyond the socio-cultural challenges to determine the impediments that hinder the success of women entrepreneurs in Tanzania.

2. LITERATURE REVIEW

2.1 Definition of entrepreneurship

Entrepreneurship can be traced back to the 1920s and it has gained popularity over the years (Welter et al., 2016). Numerous researches have been conducted in this area, although researchers have failed to come with a single definition of this term. As a result, this has led to multiple definitions of entrepreneurship being present as seen in Table 1.

Table 1: Entrepreneurship definition

Author	Entrepreneurship definition
Welter, Baker, Audretsch & Gartner (2016)	Entrepreneurship refers to the process of taking risks to engage in a business activity which adds value to the society.
Bacigalupo, Kampylis, Punie & Brande (2016)	Entrepreneurship is defined as a transversal competence, that applies to diverse spheres of life beginning from nurturing personal development through to actively participating in society, to (re)entering the job market as an employee or as a self-employed person. This also includes starting up new ventures (cultural, social or commercial).
Davidsson (2016)	Entrepreneurship can be defined as the introduction of new economic activity which leads to changes in the marketplace.
Bosma, Schmitt, Terjesen & Kew	Entrepreneurship is associated with young change-makers who use their funds to engage in business activity.
Venkataraman (2019)	Entrepreneurship is the process in which individuals seek to exploit opportunities by offering services or producing goods that are valuable to consumers.

Source: (Literature Review 2019)

From the above table, it is clear that entrepreneurship is a process that involves an activity to create value for its customers. We, therefore, conclude that entrepreneurship is a process that involves the utilisation of opportunities through engaging in business activities that offer value to the customer and at the same time, generating profit for the entrepreneur. The following section will discuss the definition of an entrepreneur.

2.1.1 Definition of an entrepreneur

According to Brixiová and Kangoye (2016), an entrepreneur is a person who has been engaged in a business for no less than 42 months. Walter & Heinrichs (2015) stated that an entrepreneur is a person who has found his or her own business. Having looked at the definition of an entrepreneur, the motivations behind being an entrepreneur will be discussed in the next section.

2.2 Motivations behind entrepreneurship

Individuals who engage in entrepreneurial activities have different motives for doing so. Researchers (Walter & Heinrichs 2015; Welter et al., 2016) have categorised these motivations into numerous perspectives such as traits, cognition, economics, affective learning and intention. The differences between these perspectives have been provided in Table 2.

Table 2: Motivations behind entrepreneurship

Perspective	Meaning
Trait	Individuals with traits such as risk-taking, being open to new experiences, creativity, innovativeness and a need for independence.
Cognitive	Individuals differ in the way that they think. Those that can think positively become confident when starting new ventures compared to those that do not.
Affective	Emotions and feelings influence people to start a new enterprise.
Intentions	Some individuals perceive opening new ventures as desirable and feasible compared to others.
Learning Perspective	Individuals learn by imitating their entrepreneurial role models.
Economic Perspective	Individuals choose to be self-employed overworking for somebody else based on economic value.

Source: (Welter et al., 2016)

Based on the above table, it is evident that entrepreneurs are guided by various perspectives which influence them to start a business. However, Welter et al. (2016) reported that individuals who start a business for the wrong reasons are more likely to fail in the long run. It can thus be concluded that successful entrepreneurship is guided by the motivations of the entrepreneur.

2.3 Women entrepreneurs

Entrepreneurship among women has become critical as it provides women with opportunities such as being self-sufficient, being in charge of their careers and being a way of rising above the glass ceiling in the corporate world (Prabha & Kumari 2018). Women are usually motivated to start their own business for reasons such as financial success, independence, self-satisfaction, economic benefit and personal development (Ahmad & Muhaini, 2018). Despite the increase in entrepreneurial activities among women-led organisations, they have been reported to fail or underperform compared to their male counterparts. Various studies around the globe have looked at the challenges that have an

impact on the growth of women entrepreneurs. These studies have been presented in Section 4.

2.4 Women entrepreneurs in Tanzania

In Tanzania, the majority of businesses are small and medium enterprises (SMEs). It is estimated that there are over 3 billion SMEs in Tanzania. Out of these, 54.3% are owned by women between the age of 25 to 40 (Gemski, 2019). Despite being engaged in entrepreneurial activities, Tanzanian women still face several challenges which hinder the growth of their businesses. Surprisingly, little has been documented about the factors that go beyond the socio-cultural factors affecting women entrepreneurs. For example, Maziku et al. (2014) reported that the challenges that affect women entrepreneurs include women's immobility, poor support from society and their ethnicity. Similarly, Mashenene et al. (2014) reported that ethnical background affects the growth of women-led firms. Kapinga & Montero (2017) found that Tanzanian women entrepreneurs face challenges such as a lack of support from their family, a low level of education and discrimination when accessing finances. To understand women entrepreneurship problems, it is vital to go beyond the socio-cultural challenges. Future researchers, therefore, should address this gap in the literature by identifying the various types of factors affecting women entrepreneurs to provide viable solutions.

3. MATERIALS AND METHODS

To identify the factors impacting women entrepreneurs, a systematic literature review was conducted. The search was limited to articles and papers published within five years to report on the most recent insights. Thus, 12 papers from 2014 to 2019 have been reviewed to identify the factors limiting the success of women entrepreneurs. A sample of 12 papers was deemed to be suitable. The previous researchers who conducted similar studies recommended a sample of 12 and above to be used in the literature for it to be adequate to conduct a review (Mashenene & Rumanyika, 2014; Nkwabi, 2019).

4. RESULTS

4.1 Challenges affecting women entrepreneurs

All individuals starting a business usually face challenges that hinder the growth of their businesses. Unfortunately, compared to their male counterparts, women entrepreneurs experience more challenges as they have to deal with both business and family challenges (Panda, 2018). Academics, (Shmailan, 2016; Akhter, 2017; Yenilmez, 2018; Siahaan & Ayustia, 2019) especially those in developing nations like Tanzania addressing women's entrepreneurial issues, have focused more on the socio-cultural challenges affecting women entrepreneurs while other factors such as the economic factors, political factors and financial factors have been inadequately reported. As seen in Table 3, women entrepreneurs encounter difficulties such as financial problems, low business knowledge and a lack of support from their family members which hinders the growth of their businesses.

Table 3: Challenges affecting women entrepreneurs

S/NO	Title	Author	Challenges
1.	Women In Action: Challenges Facing Women Entrepreneurs In The Gauteng Province Of South Africa	Chinomona and Maziriri (2015)	Lack of education and training, lack of access to finances, gender discrimination, negative attitudes and inadequate resources.
2.	An empirical analysis of the impact of family moral support on Turkish women	(Welsh, Memili & Kaciak, 2016)	Personal problems, poor managerial skills and knowledge.

	entrepreneurs		
3.	Institutional Forces And Life Cycle Stages Of Women-Led SMEs In Developing Economies	Dissanayake (2016)	Low business training, low education, poor regulatory environment.
4.	Socioeconomic Dynamics Analysis of Women Entrepreneurship: Case of Shea Nuts Processors in North Benin	Guy & Honorat (2016)	No access to credit, lack of support from the family.
5.	Factors influencing women entrepreneurs' performance in SMEs	Hasan & Almubarak (2016)	Lack of access to financial resources, difficulty in finding qualified labourers, work-home conflict and low profit.
6.	Anything Can Happen, Anytime: The Impact Of Conflict On Women's Entrepreneurship In Pakistan	Muhammad, Warren & Binte-Saleem, (2017)	Complex family situations, terrorism.
7.	Challenges Of Women Entrepreneurs A Case Study In Vizianagaram Town, Andhra Pradesh	Prabha & Kumari (2018)	Lack of financial support, low support from family members, low entrepreneurial knowledge.
8.	Factors Affecting The Growth Of Women-Owned Micro Enterprises In Kenya: A Case Of The Nubian Women In Nyanchwa, Kisii County, Kenya.	Simion (2018)	Limited access to finance, the nature of the enterprise, the socio-economic characteristics of women entrepreneurs and the legislative framework.
9.	The contribution of female entrepreneurs to socio-economic development: Study of the role of female entrepreneurs in social and economic development in Badalkumbura Division in	Ranganie & Sagarage (2018)	Limited finance.

	Monaragala District, Sri Lanka		
10.	Challenges of women entrepreneurship	Sultanpur (2019)	Financial problems, marketing skills, raw material, sales, labour, technical, competition, new technology, problems with the land, shed, water, power, taxes, a lack of family support as well as a lack of government support.
11.	Networks, Start-Up Capital and Women's Entrepreneurial Performance in Africa: Evidence from Eswatini	Brixiova & Kangoye (2019)	Limited finances, low business literacy, a lack of support from professional networks.
12.	The Influence of Selected Characteristics on the Perceived Effectiveness of an Entrepreneurship Training Program among Female Participants	(Norze, Carter, Twijukye & Burnett (2019)	Low entrepreneurial knowledge.

Source:(Literature Review 2019)

5. DISCUSSIONS

As seen in Table 3, the reviewed articles suggest that women entrepreneurs not only face socio-cultural challenges, but they also encounter other difficulties such as poor business knowledge, a lack of business training, poor networking and financial constraints, a lack of support from the government and limited raw materials.

6. CONCLUSION

Entrepreneurship is a vital source of development in the economy. Women entrepreneurs play a significant part in this as the majority of small businesses are owned by women. However, although most women are able to start a business, these often fail within a short period of time when compared to their male counterparts. The reasons for such massive failures can be explained by the fact that women entrepreneurs face more challenges than men. Such challenges include socio-cultural factors and other factors such as low business knowledge, a lack of business training and financial constraints.

7. RECOMMENDATIONS

Since there has been inadequate research addressing women's entrepreneurial factors that go beyond the socio-cultural factors in Tanzania, this study will serve as a base for future researchers to use to consider the additional factors when looking at women's entrepreneurial challenges. It will, therefore, be interesting to see future studies addressing this gap in the literature.

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Conflict of Interest

The authors declare there to be no conflict of interest.

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