

ABSTRACT

The study sought to examine factors affecting SIDO in instituting services to SMEs in Arusha City. Specific objectives were to examine whether SIDO human resource capacity affects the institution of services to SMEs in Arusha City, to determine if SIDO material resources capacity affects the provision of services to SMEs in Arusha City and to find out ways of improving SIDO services to SMEs in Tanzania. This study was guided by contingency theory and Goal setting theory. The study adopted a descriptive research design. The study used a sample size of 50 respondents who were selected through purposive sampling. Data was collected by use of questionnaires and interviews. Data was analyzed by the aid of Statistical Package for the Social Sciences (SPSS) Program and content analysis. The study unveiled that a number of SMEs trainers in SIDO is not adequate and SIDO employees are not motivated in instituting services to SMEs. Further, study findings revealed that SIDO has partial computerized system for data keeping and sharing of information. Moreover, findings indicated that providing more funds to SIDO to meet SMEs financial requirements and increasing awareness to SIDO employees regarding SMEs services will improve SIDO services to SMEs in Tanzania. The study concluded that improving SIDO services will strengthen SMEs capacity which will enable them to effectively contribute to the national efforts of developing a strong base for industrialization. The study recommended that to promote the industrialization economy, Policy Makers and Government of Tanzania should create supportive environment for SME products to compete with the imported products by enhancing legal and regulatory framework, which favor SMEs growth.

