AN EXAMINATION OF FACTORS INFLUENCING THE PERFORMANCE OF SUNFLOWER PROCESSING FIRMS IN DODOMA CITY COUNCIL

BY

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DECLARATION

I, Veronica Basilius Mapunda, declares that this dissertation is my own original work and that it has

not been presented and will not be presented to any university for similar or any other degree award.

Signature……………………………

Date………………………………….

CERTIFICATION

I, the undersigned certify that I have read and hereby recommend for acceptance by Institute of Accountancy Arusha the dissertation entitled: "**An examination of Factors influencing performance of sunflower processing firms in Dodoma city council.**" in fulfilment of the requirements for the degree of Masters in Accountancy and Financeoffered at the Institute of Accountancy Arusha.

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ABSTRACT

This study aims to examine the perceived factors influencing performance of sunflower processing firms in Dodoma city council in Tanzania. Specifically focused on three key areas which includes the influence of entrepreneurial traits on performance of sunflower processing firms, the influence of operational strategy on performance of sunflower processing firms and the influence of business environment on performance of sunflower processing firms.

A total of 96 workers of SPF were surveyed. The study adopted a cross sectional research design to collect data both qualitative and quantitative data using a questionnaire for respondents and interview for key informants. The data collected were analyzed using both descriptive and inferential statistics include multiple linear regression analysis.

The results show that sunflower processing firms performance were reported to experience growth changes since establishment as contributed by 27.9% firm entrepreneurial traits as per multiple linear regression. The entrepreneurial traits were perceived to be influencing factor for firm growth as a result of effective and efficiency aspects in marketing strategy, firm's need for achievement, risk-taking, and hard-work contributed which were both scaled very contributive are contradicting and posing reluctant against professional operating strategies. Also, operational strategies was 24 % of the studied firms to influence firm growth perceived as the issue of effective and efficiency. Additionally, favorable business environments factors were perceived by 12.8 % as per multiple linear regression as a result of demand for sunflower oil influenced by oil deficit within a country and healthier friendly (cholesterols free).

Study recommended the followings application of business models for firm growth to be the outcome of an effective business. Furthermore, provision of financial education to producers by the government, NGOs, and community-based organizations should be potentially invested by facilitating financial literacy awareness, preparation and uses of financial statements Ensuring reliable supply of electricity is very vital for operation of machines and ensures production process is on progress.

1.0 Introduction

The chapter explains information concerning the background of the study, statement of the problem, research objectives (both general and specific objectives), research questions, significance of the study, scope, limitations of the study and Organization of the study.

1.1 Background Information

Small firm performance is a complex phenomenon and the concept 'performance' denotes both a change in amount and the process by which that change is achieved in different ways and with varying degrees of regularity, and it manifests itself along several different dimensions such as sales, employment and accumulation of assets (Davidsson, Achtenhagen *et al.*, 2010). The most critical factors to firm performance is perceived to be reputation of honesty, good customer service, hard work, and satisfactory government support in which, various incentives programs are developed to enable entrepreneurs raise enough capital to start and develop business (Chong, 2012). Firm performance is measured in various ways, although Internal performance has been qualified as a key measure of firm performance as the results of innovation, which is measured by the intangible assets ratio, positive impact on firm performance as the company put a lot of effort in R&D and innovative activities, to translate higher performance rate (Loi and Khan, 2012). It is observed that only risk-taking has a significant association with employment performance when entrepreneurs who have a high degree of risk-taking propensity always continuously take action for growing and expanding their business and acquire assets that are vital for enabling the business to achieve profitability (Neneh and Van Zyl, 2018).

In south Africa, showed that the quality of SME measured in terms of (human capital, performance ambition, innovativeness, motivation and market orientation) significantly affects the performance of SMEs in terms of employment, sales and asset performance irrespective of the age which is vital performance factors (Ngek, 2014). In Tanzania, SME Policy states that, through business linkages, partnerships and subcontracting relationships, SMEs have great potential to complement large industries requirements. A strong and productive industrial structure can only be achieved where SMEs and large enterprises not only co-exist but also function in a symbiotic relationship, creates the potential for enhancing linkages within the economy, and serve as a training ground for entrepreneurship and managerial development to enable motivated individuals to find new avenues for investment and expanding their operations. Although the SME sector is important to the socio-economic development of Tanzania, studies have revealed that it is largely informal and very much under-performing due to a multitude of constraints facing it (Mutambala, 2011).

In Dodoma region, The Central Zone Sunflower Oil Processors Association (CEZOSOPA) formed by the Processors of sunflower oil processing firm is propagated of becoming a vibrant and sustainable institution that supports individual and/or group of sunflower oil seed producers, processors and actors along the value chain to improve productivity and income. To unify sunflower processors within the central corridor to coordinate advocacy, enhance competitiveness, economic performance, consumer satisfaction, favorable business environment for sunflower oil processors in the region and enhance competitiveness of member processors (Mushi, 2016). To facilitate this finding, the study was examined the facilitating factors for GSPFs for the potential of robust value chain practices softly by creating inter-relationship between entrepreneur's objectives and policy

makers' goals towards sunflower value chain and improved performance of a subsector by focusing on what factors lead to some firms performance while others are declining, in which three indicators namely; Entrepreneurial traits, Operational determinants, and Business Environment will be studies other criteria notwithstanding.

1.2 Statement of the Problem

Sunflower production is one of the subsectors with potentials to improved livelihood of the farmers through improved value chain. Tanzania is ranked second and tenth largest producer of sunflower seed in Africa and world respectively (Ma, Xu *et al.* 2015, Mushi, 2016). Sunflower processing firms are among important SMEs to the socio-economic development although, largely are informal and very much under-performing nevertheless of its potentials in translating the national aspiration of industrialization and therefore improve livelihood of people (Swai, Mwatawala *et al.*, 2013, Mushi, 2016). A subsector accounts for 95% of all sunflower processors in the country scattered across the sunflower producing areas especially in central corridor part of the country. The industry continues to attract new firms which increase the efficiency of the existing firms in the market (Swai, Mwatawala *et al.*, 2013, Mushi, 2016). It shows involvement of multiple firms in the processing and value chain addition of sunflowers despite the increase in number of these firms supply of edible oil is insufficient to meet the available demand leading to importation of edible oil to supplement the deficit (Ugulumua and Inangab, 2013).

Notwithstanding the tenth ranking above, some literatures examined some challenges facing the subsector in depressed prices of sunflower products (seeds and oil) payable to farmers, inadequate processing facilities, poor access to credit, inadequate storage facilities, extension services, capacity and supply mismatch, oil quality, market size, trends, and Competition (Swai, Mwatawala

et al., 2013, Galperin and Melyoki, 2018) while the active and vibrant firm forces innovation, job creation, enhancing entrepreneurial orientation (Chodokufa, 2009, Dzakovic, Lalic *et al.*, 2011, Neneh and Van Zyl, 2018).

1.3 Research Objectives

1.3.1 General objective

The general objective of this study was to examine factors influencing performance of sunflower processing firms (GSPFs) in Dodoma City council.

1.3.2 Specific objectives

i)   To examine the influence of entrepreneurial traits on performance of sunflower processing firms

ii)   To assess the influence of operational strategy on performance of sunflower processing firms

iii)   To determine the influence of business environment on performance of sunflower processing firms

1.4 Research Questions

i)   To what extent do entrepreneurial traits contribute on performance of sunflower processing firms?

ii)   To what extent operational strategies are facilitating factor on performance of sunflower processing firms?

iii)   What are the business environment facilitating factors on performance of sunflower processing firms?

1.5 Significance of the Study

Despite the promising potentials in the sunflower sub-sector, sunflower production is relatively low and benefits from sunflower value chain have not been adequately realized. Firm performance has possibilities to strengthen the organization capability to promote social entrepreneurship development and enhance the potential role of private sector participation in the country's economy. The study will be important to many stakeholders such as a researcher himself in developing skills and knowledge pertaining findings, be used as literature review, help investors who are motivated to invest in sunflower subsector to known facilitating factors for firm performance so that they can take required measures, and will establish a critical inter-relationship linkage between entrepreneur's motivating factors for firm performance and policy makers' towards emphasis on value chain potentials to match softly their goals. Therefore, this largely untapped sub-sector need more study and measures to boost sunflower production, definitely will impact significantly economic wellbeing of actors in the value-chain.

1.6 Scope of the Study

The scope of this study was limited by its focus on firm performance examining entrepreneurial traits, operational strategies, and business environment determinants to examine facilitating factors for GSPFs for the period of 5 years from 2018 – 2022. This study has taken into accounts the Sunflower Processing Firms (SPFs) in Dodoma City council due to time and financial constraints. The sample frame of a study was only the firms which have not less than 4 years of operations, involving firm owners and supervisors as respondents in a study.

1.7 Limitation of the Study

The study was limited by time of only one month, human, and financial resource to incorporate a large study area, firms, and respondents. This means the information was collected are subject to changes which could alter findings of similar studies in the future. Therefore, conclusions drawn from the study was generalized for the whole country (mainly apply to Dodoma city council). The reasons for this, is that the situation in Dodoma city council was different from the rest of Tanzania thus findings and recommendations was revealed may not apply. Majority of the processing firms in the study area did not keep records. Therefore, this posed challenges during data collection whereby collection of data mainly depended on the memory recall of respondents, which the majority found it difficult to manage.

On the other hand, some processors, purposely was declined to give data on actual turnover, and profitability will be receive fearing that data obtained might be given to the government for tax issues. Therefore, the study was applied categorical type of data on firms' turnover that most of them was convinced to cooperate after being assured that the information being solicited was meant for research only and not otherwise and that their privacy would be respected.

However, it is important to bear in mind that this was intended to elicit the perception of processors rather than 'objective' measures of critical success factors. Second, possibility biased might result from snowball sampling in which isolated members of the community might be under sampled, whereas others who have more extensive contacts and acquaintances might have oversampled. Third, the sample was large enough to permit directly generalization to other areas of the country.

1.8 Organization of the Study

Chapter one covers background, statement of the problem, research objectives and research questions. It also covers significance of the study, scope, limitations and finally organization of the study. Chapter two covers definition of key terms, theoretical review, the empirical literature in establishing the gaps of this study, and conceptual framework of study. Chapter three covers study area, research design, research approach, population of the study, sampling methods, sample size, types of data, methods of data collection, data analysis, validity, reliability of data and finally the issue of ethical consideration. Chapter four covered data analysis, presentation, interpretation and discussions. Chapter five covered conclusions, recommendations, critical evaluation and area for further study.

CHAPTER TWO

LITERATURE REVIEW

1.0 Introduction

The chapter provides the discussion of the theoretical literature review, where key conceptual definitions was dealt with followed by presentation of relevant theories. Furthermore, empirical literature review was covered followed by the identification of research knowledge gap and establishment of the conceptual framework of the study.

2.1 Theoretical Review

2.1.1 Definition of key terms

2.1.1 Firm performance

In Penrose's (1959) theory of firm performance, knowledge and skills are stated as 'resources' which allow firms to create a competitive advantage. This can occur through the development of new products and processes, and also by increasing the firm's ability to absorb knowledge generated elsewhere. The firm as an administrative unit with boundaries emphasized by the distinctive internal activities taking place within firms; their members work together over time, combining resources in specific ways and building firm-specific competence, the growing experience of management, its knowledge of the other resources of the firm and of the potential incentives for further expansion using the services of its own resources profitably.

Firm performance is the result of exploration of opportunities and collection of a certain number of resources that provide the means successfully to take advantage of those opportunities for performance(Penrose, 1959; Barney, 1986). It is an essential evolutionary process which involves the accumulation of knowledge unique to the firm, concerned not with the price and output behaviour

of a firm but as an administrative organization, at which existing human resources provide both an inducement rate of expansion, cumulative process of interaction between the market opportunities of the firm and the productive services available (Garnsey, 1998).

2.1.2 Indicators of Firm Performance

Access to finance is important for growing firms because it provides the resource base from which investments can be made to facilitate future performance, and research findings in which financial constraints can prevent firm's performance potentials from exploiting new opportunities (Secchi, Tamagni *et al.*, 2012). An individual performance indicator of performance particularly the owner of a small business motivated by a need for achievement measured by specific skills, performance motivation, and financial performance brings a positive influence on firm performance(Haibo and Gerrit, 2009). Sometimes either consciously or unconsciously, government policies can increase or decrease market concentration in form of tax policies, subsidies, creation of incubating ventures, financial and administrative support modifies the distribution of firms in the market to facilitate SMEs attract capital, receive public and private support to create their firm then increase their potential efficiency in the market artificially (Carrizosa, 2007).

Firm performance is a multi-dimensional phenomenon, having different antecedents and effect of entering into a new non-overlapping product-market, related firm's technological or marketing skills base, and integration value chain focusing on exploiting the existing product-market combination through market penetration as widely measured by using asset performance, sales and employment performance(Levie and Autio, 2013). Human capital theories relate to entrepreneurial success in a similar way as personality structure in sufficient knowledge and working experience in the relevant fields enable business founders to choose more efficient approaches in organizing production

processes, creating financial strategies, or analyzing markets for the new product in small scale enterprises performance as well. Entrepreneurship orientation based on innovativeness, risk-taking, proactive, and business practices, strength the positive firm performance on both employment and sales performance for firm performance(Neneh and Van Zyl, 2018).

2.1.3 Small and Medium Enterprises (SMEs) performance

SME performance has been identified as a key driver to economic development and the creation of wealth and employment in every country around the world (Davidsson, Achtenhagen et al., 2010). A fuller understanding of performance patterns among SMEs relies on multivariate analyses as literature on SME performance, where employment performance is one important metric, but another is performance in sales turnover (Bryson and Forth 2016). (Ebitu, Glory et al., 2016) on the study "An appraisal of Nigeria's Micro, Small and Medium Enterprises (MSMEs): performance, challenges and prospects", The National Policy classified MSMEs based on dual criteria of employment and assets (excluding land and buildings), as follows:

Table 2.1: Categories of SMEs in Nigeria

Size category	Employment	Assets (Million)
Micro enterprises	Less than 10	Less than 5
Small enterprises	10-49	5–less than 50
Medium enterprises	50-199	50-less than 500

Source: National Policy on MSMEs (2006)

In Tanzania, the SME sector is a significant sector in employment creation, income generation, and poverty alleviation and is a base for industrial development. Small and Medium Enterprises 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).

Table 2.2 : Categories of SMEs in Tanzania

Category	Employees	Capital Investment in Machinery (TZS)
Micro enterprise	1 – 4	Up-to 5 mil.
Small enterprise	5 – 49	Above 5 mil. to 200 mil.
Medium enterprise	50 – 99	Above 200mil.to 800 mil.
Large enterprise	100 +	Above 800 mil.

Source: URT, (2003)

The vision of the SME Development Policy is to have a vibrant and dynamic SME sector that ensures effective utilization of available resources to attain accelerated and sustainable performance, with the objective to foster job creation and income generation through promoting the creation of new SMEs and improving the performance and competitiveness of the existing ones to increase their participation and contribution to the economy.

2.2 Theoretical Literature Review

2.2.1 Theories of the study

In Penrose's (1959) theory of firm performance, knowledge and skills are stated as 'resources' which allow firms to create a competitive advantage. This can occur through the development of new products and processes, and also by increasing the firm's ability to absorb knowledge generated elsewhere. The firm as an administrative unit with boundaries emphasized by the

distinctive internal activities taking place within firms; their members work together over time, combining resources in specific ways and building firm-specific competence, the growing experience of management, its knowledge of the other resources of the firm and of the potential incentives for further expansion using the services of its own resources profitably.

Firm performance is the result of exploration of opportunities and collection of a certain number of resources that provide the means successfully to take advantage of those opportunities for performance (Penrose, 1959; Barney, 1986). It is an essential evolutionary process which involves the accumulation of knowledge unique to the firm, concerned not with the price and output behaviour of a firm but as an administrative organisation, at which existing human resources provide both an inducement rate of expansion, cumulative process of interaction between the market opportunities of the firm and the productive services available (Garnsey, 1998).

2.3 Empirical Review

2.3.1 The performance of SMEs for example sunflower processing firms

Enterprise performance can be measured by the number of employees or by turnover. All enterprises with average annualized performance greater than 20% over a three year period, and with 10 or more employees, are considered as high-performance enterprises. The strong relationship between firm performance and age for surviving firms show that, after controlling for starting size, sector and technology level, the probability of firms aged 2 years achieving performance rates in employment of 20% or more is significantly greater than the probability of firms aged 4 years or more doing so.The aim or goal of any firm is to make profits and later grow or expand its operation (Mashenene, 2015). The firm size is the result of firm performance over a

period of time and it should be noted that firm performance is a process while firm size is a state. The performance of a firm can be determined by supply of capital, labor and appropriate management and opportunities for investments that are profitable (Fjose, Grünfeld *et al.*, 2010). Entrepreneurial orientation (EO) as described through innovativeness, risk-taking, and proactive widely touted as a fundamental ingredient for enhancing firm performance having a significant positive association with SME performance (employment and sales performance) dimensions, and the findings established Risk-taking as the factor that showed a significant influence on employment and asset performance(Neneh and Van Zyl, 2018).

Investment in human capital brings rewards in terms of employment performance, firms where at least 40% of core non-managerial employees had undertaken off-the-job training in the year significantly faster rate than those were less training intensive with a positive association between performance pay for employees and higher employment performance: those firms paying at least some of their employees according to subjectively assessed merit in 2011 grew 3.5% per annum faster than observationally equivalent firms without such a scheme in South Africa. SMEs foster and increase entrepreneurship activity in alleviating poverty, generate wealth for previously disadvantaged people; and create profitable opportunities for indigenous entrepreneurs (Ngek and van Aardt Smit, 2013).

2.3.2 The influence of entrepreneurial traits on performance of sunflower processing firms

One strand of this literature argues that family-owned firms may particularly lack managerial expertise because the practice of handing over control to the next generation limits the talent pool (Bloom and Van Reenen, 2010). This may explain the negative relationship between family ownership and performance that is evident in the literature on firm performance(Lanz, 2015).

Irrespective of managerial experience and capability, however, it is also important to acknowledge that some firms do not wish to pursue performance, even if the opportunity presents itself (Bryson & Forth, 2016).Welsch *et al.*, (2013) establish that SME owners are usually more focused on attaining survival rather than pursuing performance. Levie and Autio, (2013) add that if entrepreneurs do not have any intention of growing their businesses, their businesses will most probably not grow. In South Africa, most SMEs are unable to reap the rewards of performance as only a small number of SMEs depict high performance potentials and contribute to the bulk of job creation (Ngek and van Aardt Smit, 2013). One way of fostering SME performance is by enhancing their level of entrepreneurial orientation (Neneh and Van Zyl, 2018).

While the literature discusses various factors influencing firm performance, it does not specifically address the factors that impact the performance of sunflower processing firms in Dodoma City Council. The existing literature focuses on family-owned firms, SMEs, and entrepreneurial orientation, but there is a gap in understanding how these factors relate to sunflower processing firms within this specific geographic and industrial context. The undertaken study likely aims to address this gap by investigating the unique combination of factors that influence the performance of sunflower processing firms in Dodoma City Council. The study might examine how factors like family ownership, managerial expertise, entrepreneurial orientation, and growth intentions intersect and impact the performance of these firms within the specific context of sunflower processing.

2.3.3 The influence of operational strategy on performance of sunflower processing firms

Profit has been used as indicator of business success or performance but the young firms may not make profits in their first few years of operation despite the fact that sales are increasing due to high interest payments and setting-up costs make it difficult to define success or performance from the

perspective of profit. Managerial experience and financial management, seems vital in determining the success or failure of the firm (Welsch *et al.*, 2013).

Financial management "is an area of financial decision-making, harmonizing individual motives and enterprise goals", mainly concerned with the effective funds management in the business and one of the important parts of overall management, which is directly related with various functional departments like personnel, marketing and production with a multidimensional approaches. Financial planning and firm operations such as; Eased financial transactions crisis, eased access to credit, minimized cost in auditing, minimized loss of cash during handling, increased returns, and ability to attract shareholders results into increased efficiency (Atieno, 2013).

Sustainability of a firm depends largely on its performance in the marketing. The government of Tanzania undertaken: promotion of business linkages between large and small enterprises to strengthen marketing agencies and institutions that support SMEs, create SMEs bulk provision systems through a cooperative mechanism, facilitate participation in local and international markets through trade fairs and missions, establish SMEs exhibition centers, to meet standards, training on trade issues i.e multilateral trading systems and regional trading arrangements, and facilitate SMEs benefit from government procurement needs and activities (Galperin and Melyoki, 2018).

While the literature discusses the significance of financial management, marketing, and government initiatives in influencing firm performance, there is a lack of specific investigation into how these factors impact the performance of sunflower processing firms in Dodoma City Council. The study potentially aim to bridge this gap by examining how financial management practices, marketing strategies, and the effects of government initiatives specifically relate to the performance of sunflower processing firms in the mentioned context. This could involve understanding how financial

decision-making, marketing efforts, and interactions with government programs play a role in determining the success and sustainability of these sunflower processing firms.

2.3.4 The influence of business environment on performance of sunflower processing firms

The evolution of the agricultural policy in Tanzania started in the 1960's and has continued to be strongly influenced by changes in economic policy regime. The post-independence period (1961-1967) was marked by an emphasis on improved peasant farming through extension services and the provision of credit and marketing structures. Following the Arusha Declaration in 1967, the Government became the sole driver of the economy with private sector playing insignificant role. A framework for implementation of the National Strategy for Performance and Reduction of Poverty (NSGRP), Tanzania Development Vision 2025 as well as meeting the Millennium Development Goals (Ugulumua and Inangab, 2013).

For the purpose of promoting exports of agricultural products National Export Strategy was formulated in 2009. The strategy articulates on having a modernized, commercialized, competitive and effective agriculture and cooperative systems in place with a special focus on food and commodity crops. In shaping a public policy framework it should be recognized that the SME sector will be healthier when there is: A culture of enterprise in society which rewards individual as well as collective initiative and innovation in all citizens, on education, economic, political and social climate that encourages a high rate of business start up and survival leading to an overall increase of the SME stock; and an economic and social climate which encourages existing SMEs to grow (Mashenene, 2015).

Formulation and implementation of agricultural policies, such as; the Seeds Act (2003) to controls and regulates all standards related to quality agricultural seeds, institutional set-up for production-oriented policies and regulations, undertakes laboratory analyses, and import and export controls, and improving capacities of SMEs, at processors and traders level. Sunflower yield has also increased from 0.7 tonnes per hectare in 2009/10 to 1.6 tonnes per hectare in 2013/14. Small-scale sunflower farmers perceive the role of building relationships based on demand-driven upgrades, such as knowledge, skills, technology, and support services within the value chain. Some findings indicate that there are a number of good policies concerning policy framework/environment for enhancing innovations across the sunflower value chain ranging from production, management aspects, processing, grading, packaging and marketing have already in place.

However, the main problem relates to lack of commitment in implementing these policies as well as low awareness to such policies by many players in the sunflower value chain especially farmers. In order to be useful, policies for promoting innovations need to be underpinned by clear implementation strategies by involving all the stakeholders especially the private sector and interactions between agribusiness firms and the main drivers of innovations such as R& D institutions to be supported (Ugulumua and Inangab, 2013).

While there is discussion about the formulation of agricultural policies and their potential benefits for the sunflower value chain, there seems to be a gap in understanding how these policies are actually being implemented and how they impact the performance of sunflower processing firms specifically within the Dodoma City Council area.
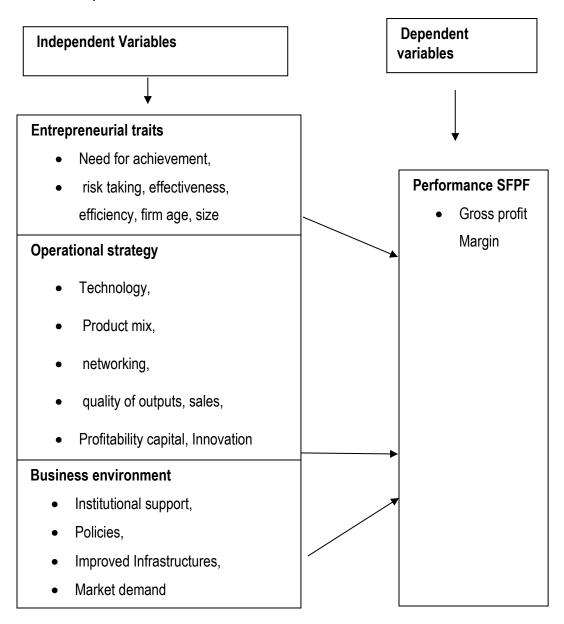
The study might aim to address this gap by investigating the practical implementation of agricultural policies, such as the Seeds Act (2003) and other relevant policies, and how they are influencing the performance of sunflower processing firms in Dodoma City Council. This could include examining whether the policies are being effectively executed, how they interact with other factors like market dynamics and firm-level strategies, and what challenges exist in translating policy intentions into real outcomes.

2.4 Knowledge Gap

The knowledge gap being addressed by the study was the lack of tailored research that investigates the interplay of financial management, marketing strategies, and government initiatives in influencing the performance of sunflower processing firms in Dodoma City Council, and how these factors contribute to their overall success and sustainability beyond just profit-based indicators. Another knowledge gap being addressed by the study might be the limited understanding of how agricultural policies related to sunflower production and processing are actually being implemented and how they impact the performance of sunflower processing firms in the specific geographic context of Dodoma City Council.

Furthermore, there is a limited accessibility of information on what factors facilitates performance of some SPFs since accessible studies are on constraints of the sunflower subsector. The study need to examine to what extent do entrepreneurial traits, operational strategies, and business environment can be facilitating factor for GSPFs in terms of ownership, employees, innovation, marketing and networking, turnover, profitability, machinery, historical background, sex and age. Therefore; the study differ from other studies since there is limited accessibility of information studies done on GSPFs particularly in central corridor of sunflower producers as a gap for study.

2.5 Conceptual Framework

| Independent Variables |

| Dependent variables |

Entrepreneurial traits

- Need for achievement,
- risk taking, effectiveness, efficiency, firm age, size

Operational strategy

- Technology,
- Product mix,
- networking,
- quality of outputs, sales,
- Profitability capital, Innovation

Business environment

- Institutional support,
- Policies,
- Improved Infrastructures,
- Market demand

Performance SFPF

- Gross profit Margin

Figure 1: Conceptual Frame Work

2.5.1 Explanation of Variables

One key indicator of a strong and booming economy is the presence of a well-established Small and Medium-sized Enterprises (SMEs) performance. The SMEs sector has been widely recognized as an essential driver of economic performance, innovation, employment, and social integration in both developed and developing countries (Ngek and Smit, 2013). In this study, the GSPFs in terms of entrepreneurial traits, operational strategies, and business environment determinants was studied to examine how has influenced performance of the firms for sustainable economic performance, innovation, employment, and social integration potentials. A descriptive statistic was used to explain the extent to which the experienced performance was influenced by such variable.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

Chapter three includes a review of the research methods and design appropriateness, a discussion of the population and sample. In addition, the chapter explains in detail the methods that was used in the gathering of the data and the various stages the researcher was go through to acquire the information. In this chapter the researcher was elaborate on the area of study, sample size, methods of data collection, data presentation, interpretation and analysis.

3.1 Study Area

The study area was sunflower processing firm located in Dodoma city council because of the presence of Central Zone Sunflower Oil Processors Association (CEZOSOPA). This organization was formed by the Processors of sunflower oil processing firms as propagated of becoming a vibrant and sustainable institution that supports individual and/or group of sunflower oil seed producers, processors and actors along the value chain to improve productivity and income. To unify sunflower processors within the central corridor to coordinate advocacy, enhance competitiveness, economic performance, consumer satisfaction, favorable business environment for sunflower oil processors in the region and enhance competitiveness of member processors. Thus the sunflower processing firms available within the located area was encouraged to be selected for this study.

3.2 Research Design

Sekaran and Bougie (2016) defines research design as the scheme, outline or plan that is used to generate answers to research problem. It can also be defined as the master plan specifying the methods and procedures for collecting and analyzing the needed information. A cross-sectional

survey design was applied to identify the opinions of the sampled SPFs' owners, and supervisors of the firm. The design was chosen because enabled the researcher to capture useful information from deeply accountable SPFs personnel.

3.3 Research Approach

Quantitative research involves collecting and analyzing numerical data to identify patterns, relationships, and statistical significance. In the context of this study, quantitative research was focused on measuring the extent of various factors influencing the performance of sunflower processing firms in Dodoma City Council. Qualitative research involves collecting non-numerical data, such as textual information, to understand the deeper meanings, perceptions, and experiences of individuals. In this study, qualitative research can help uncover contextual insights about the factors affecting sunflower processing firms' performance.

3.4 Population of the Study

The population of the study is expected to be 30 SPFs which are operating within Dodoma city council, actual figure to be realized through pilot survey. The study was involved proprietors, and supervisors regardless of age and gender because age and gender were among the traits was studied

3.5 Sampling techniques

To determine the number of firms for a study, the snow ball sampling technique was used to survey the firm within Dodoma city council. The technique was selected because the specific numbers of these SPFs around the study area was determined through pre-survey study. The study was employed purposive method to select the respondents within the particular firm.

3.5.1 Sampling frame

The target population was enquired in this study included owners, supervisors, machine operators of SPFs within the studied boundary.

3.5.2 Sampling unit

In the study sample unit included the firm's proprietors, managers or supervisors, who at most case themselves are accountants. Proprietors and supervisors of the processing firms was the basis of enquiry together with machine operators.

3.6 Sample size

Sekaran and Bougie (2016), describes sample as a subset of the population. It comprises of some members who was selected from it. i.e some of the elements of the population form the sample. Also is defined a segment of the population was selected for investigation. The sample size was determined using Cochran's correlation formula as edited by Bartlett et al 2000.

Sample size (n) = $\dfrac{N}{1+N(e)^2}$

Where;   n = Sample size

N = Number of sample frame

e = sampling error (5%)

Table 3.1: Population Distribution

S/N	Name	Number of population for each firm	Sample size (n) = $\dfrac{N}{1+N(e)^2}$
01	Firm	30	23
02	Firm	27	21
03	Firm	16	15
04	Firm	21	20
05	Firm	18	17
Total			**96**

The targeted sample is 96 workers of SPFs from the population sample of 5 firms to be selected as a representative of the whole population.

3.7 Types of the Data

The study includes primary data which was obtained from respondents by the researcher through use of questionnaires by face to face approach. Documentary review was used to gather empirical review and commentary to enable minimal use of irrelevant responses from the firms. However, the secondary data was faced by some limitations of absence of documented data, and ineffective accessibility.

3.8 Data Collection Methods and Tools

Data collection tools of this study involved questionnaire tool with questions based on entrepreneurial, operational, and business environment determinants in order to come with a

required data to answer the specific objectives of the study. These tools were used to collect primary

in which a respondent was asked questions based on the questionnaires and allowing open

questions and response in order to collect accuracy data as much as possible and face to face

interview.

3.8.1 Interview

Key informant was collected from the owners and managers of these organizations (PSPFs) through

interviews. These was provided the researcher with detailed, quantitative information about

impressions, experiences and opinions of respondents about entrepreneurial, operational, and

business environment determinants on PSPFs related issues.

3.8.2 Research Questionnaires

Research questionnaires was used to collect information from other respondents within the target

population.

3.9 Data Processing, Analysis and Presentation

3.9.1 Data processing

Data from the field was sorted, coded and organized in tables to reveal the percentage scored of

the different study attributes. The researcher was edited the data collected for accuracy and

completeness, coding the pre-coded questions so that all answers obtained from different

respondents was classified into meaningful categories. Frequency tabulation was involved placing

the number of responses falling into a particular category and recording the responses so as to

come up with a statistical table for easy interpretation.

3.9.2 Data analysis

The quantitative data was collected using questionnaires are analyze using descriptive statistics, where frequencies and percentages are used for interpretation.

3.9.3 Data presentation

In presenting the findings, frequency distribution table used to tabulate data to show percentages will be calculated as well as charts and figures was used to present different data.

3.10 Ethical issues

The researcher was very careful to avoid causing any harm to respondents by not asking them irrelevant questions, using threatening language and making them nervous. Ethical principles like confidentiality, objectivity, respect and openness are very important in research and was observed by researcher during data collection. The researcher was keen enough to capture the views of each respondent which was achieved through preliminary discussions to be held by the researcher and respondents. This is to ensure respondents are fully aware of the importance of the study. Also, to increase validity of the study, data was collected from reliable sources, the language to be used on the questionnaire were kept simple to avoid any ambiguity and misunderstanding. The researcher also adhered to the requirement of informed consent where prospective research respondents was fully informed about the procedures to be involved and to give their consent to participate. Similarly, the anonymity of the respondent's was maintained and the confidentiality of the information were provided.

CHAPTER FOUR

FINDINGS AND DISCUSSIONS

4.0 Introduction

This chapter presents analysis and findings of the study as set out in the research objective and research methodology. The method of data collection was primary research, which essentially involved collecting data directly from sunflower processing firms for the purpose of establishing the perceived factors for the performance of sunflower processing firm. The data were collected by questionnaires face to face with firm owners, managers and supervisors.

4.1 Demographic Characteristics of the Firms

4.1.1 Age of the firm

The data shows that the sunflowers processing industry is primarily composed of firms that are relatively young. The majority of firms (60.4%) have been in operation for 6-11 years, indicating a notable concentration of businesses that have not yet reached maturity. Only a small proportion of firms (17.7%) are within the 1-5-year age range, while 21.9% have been operating for 12-23 years. The preponderance of firms in the 6-11-year age category suggests that the sunflowers processing industry is still in the growth and development phase. This is a positive sign, indicating opportunities for expansion, innovation, and market development while younger firms in the 1-5 year category faced challenges in establishing themselves, such as securing market share and navigating the industry's complexities. On the other hand, firms in the 12-23 year category likely benefit from experience and established market positions but also face increased competition from newer entrants.

The presence of a substantial number of firms in the 1-5 year and 6-11 year categories indicates that there is growth potential within the sunflowers processing industry which resulted into high performance. The age distribution of firms in the sunflowers processing industry reveals a landscape where the majority of firms are relatively young, with a notable concentration in the 6-11-year age category. This suggests that the industry is still evolving and holds potential for further growth and development. Firms in the 1-5 year category are in the early stages of establishing themselves and may face entry barriers, while those in the 12-23 year category benefit from experience but also face increased competition.

Table 4.1: Age of the firm

Categories of years		Frequency	Percent
	1-5	17	17.7
	6-11	58	60.4
	12-23	21	21.9
	Total	96	100.0

Source: Field Data (2023)

4.1.2 Establishment and legal status of the firm

The findings related to the legal status of the small enterprises are presented below as follows the private enterprises were the most common legal status, accounting for 57.3% of the surveyed businesses (55 out of 96), partnership enterprises constituted 29.2% of the sample (28 out of 96) and organizational entities represented the smallest proportion, with 13.5% (13 out of 96).

The dominance of private enterprises among the surveyed businesses suggests that small business owners often choose the private legal structure, possibly due to its simplicity and flexibility. Private

businesses can be easier to manage, have fewer regulatory requirements, and offer more direct control over the business's operations and decision-making.Partnership enterprises, while less common, still play a substantial role in the small business landscape. Partnerships may be preferred by entrepreneurs who wish to share ownership and responsibilities with others, distributing the risks and rewards.

The relatively low percentage of organizational entities is noteworthy. This may be due to the complexity and regulatory requirements associated with organizing as a formal entity, which can be more suitable for larger businesses.

Also, the findings related to the establishment ownership of the small enterprises are as follows: A significant majority of the enterprises (79.2%) were established by their owners, totaling 76 out of 96 and a smaller proportion (20.8%) had been bought from others, making up the remaining 20 out of 96.

The majority of the surveyed small enterprises were established by their owners, highlighting the entrepreneurial spirit and drive to start and grow businesses from the ground up. This finding emphasizes the importance of individual entrepreneurship in the small business sector.

The existence of businesses bought from others underscores the opportunities for acquisition in the small business market. This option allows entrepreneurs to enter the market with an existing business, potentially reducing some of the risks associated with starting a business from scratch.

Table 4.2: Establishment and legal status of the firm

Aspects		Frequency	Percent
Legal Status	Private	55	57.3
	Partnership	28	29.2
	Organization	13	13.5
	Total	**96**	**100**
Established	By the Owner	76	79.2
	Bought from others	20	20.8
	Total	**96**	**100**

Source: Field Data (2023)

4.2 Entrepreneurial traits

The entrepreneurial traits were perceived to be influencing factor for firm growth by 56.3% as a result of firm's effectiveness and efficiencies aspects in marketing strategy; particularly in market study, product mix, customer survey, monitoring, and communication. Firm's need for achievement, risk-taking, and hard-work contributed by 70.8%, which were both scaled very contributive. 58.3% was scaled average contributive as a result of firm's entry, brand name, packaging, product mix in sunflower production, management, and supply chain of the firm, while firm age, size, and location attributes seemed to be 55.2% scaled low contributive and irrelevant in influencing firm growth.

Table 4.3: Entrepreneurial traits of the firm

Items	Very Contributive	Average Contributive	Low Contributive	Not Contributive
Firm age, size and location	0(0%)	32(33.3%)	53(55.2%)	11(11.5%)
Firm's need for achievement, risk-taking and hard-work	68(70.8%)	19(19.8%)	9(9.4%)	0(0%)
Firm effectiveness and efficiency	54(56.3%)	42(43.8%)	0(0%)	0(0%)
Firm entry, brand name, packaging and product mix	25(26%)	56(58.3%)	15(15.6%)	0(0%)

Source: Field Data (2023)

The perceived factors of firm effectiveness and efficiency aspects in marketing strategy, firm need for achievement, risk-taking, and hard-work contributed very well as entrepreneurial traits for firm growth. The study agree to the findings of (Haibo and Gerrit 2009).where performance of the firm motivation, specific skills, need for achievement, firm age, financial performance, extra finance, and preparedness to grow found to be most important for firm growth. However, the interviewed firms were much focused on distribution of profits to entrepreneurs rather than long-term goals. Firm effectiveness and efficiencies on marketing study, product mix, and customers' survey were based on friendship and royalty of owners than professionalism marketing of a firm as a separate entity.

Key informants interview

Mark Johnson is a respected industry consultant with years of experience in the sunflower processing sector. The interview aimed to gather Mark's perspective on how entrepreneurial traits have contributed to the performance of various sunflower processing firms.

Key Findings

"Mark emphasized that innovation was a driving force behind the performance of many sunflower processing firms he had observed. He noted that companies that continually introduced new, value-added sunflower products and packaging innovations were better positioned to capture market share and outperform competitors". **Furthermore,** mark highlighted the importance of strategic risk-taking. He shared examples of firms that took well-thought-out risks, such as investing in state-of-the-art processing technologies or expanding their distribution networks. These calculated risks often resulted in revenue growth and enhanced performance.

Also, mark explained that the ability to adapt to changing market conditions was critical for firms in the sunflower processing industry. Firms that demonstrated flexibility in adjusting their product lines, production processes, and supply chain management in response to evolving consumer preferences were more likely to achieve sustained high performance"

4.3 Operational strategy

The GSPFs were explained to be contributed by technological improvements, quality of outputs, marketing and networking by were average 61.5%, and Firm's Strategic planning on employees training, sales, and profitability were good by 54.2% as shown in the table below;

Table 4.4: Contribution of firm strategic planning

Items	Average Contribution	Good Contribution	Very Contributive
Technological improvement, quality of outputs, marketing and networking	56(61.5%)	28(29.2%)	9(9.4%)
Firm's Strategic planning on employees training, sales, and profitability	20(20.8%)	52(54.2%)	24(25%)

Source: Field Data (2023)

The contribution from technological improvements was reported as a result of Chinese machineries and use of Indian one which crushes sunflower oil between 20 – 22 litres compared to 18 – 20 litres before modification. Strategic planning on employee training done by the firm is to repair machines for quality oil productions to meet the local markets. The performance of the firms was affected much by both seasonal productions and low capital capacity by 58.3%.

Table 4.5: Factors affects firm performance

	Frequency	Percent
Seasonal Production	30	31.3
Low capital capacity	10	10.4
Both Seasonal Production and Low capital capacity	56	58.3

Source: Field Data (2023)

The need for achievement as well as seasonal and low capital capacity pushed the firm prefer part-time employees for reducing operating costs which brought negative impact on firms' employments growth, and general poor resources utilization.

The role of fixed assets in sunflower firm growth was reportedly to be potential in success growth of the firms. Crucially of machinery plants was 91.7% assumed to be constant factor ranking number 1, building 71.9% ranking at two because of higher cost incurred by processors to pay rent and maintenance, and vehicles was 63.5% ranking number 3 in influencing firm growth see table 4.4 below.

Table 4.6: Fixed assets crucially

	Less Crucially	Average	Crucially	Very Crucially
Furniture and Computers	72(75%)	24(25%)	0(0%)	0(0%)
Vehicles	17(17.7%)	61(63.5%)	18(18.8%)	0(0%)
Building	0(0%)	18(18.8%)	69(71.9%)	9(9.4%)
Machineries	0(0%)	0(0%)	8(8.3%)	88(91.7%)

Source: Field Data (2023)

Building, and vehicles were perceived to be very crucially in GSPFs since high cost are incurred in leasing buildings as pertained regular repair and maintenance to meet TFDA requirements, while using private trucks as well as untimely managing to acquire stocks of raw material shown negative outcomes for the firm growth. However, most of the firms are reluctant in strategic planning so that a firm can own its fixed assets in order to minimize operating costs and expand the business. The study support Haibo and Gerrit, (2009) on their empirical findings shown that high 'need for achievement' as an entrepreneurial trait has a negative effect on promoting employment for firm growth if entrepreneurs may have high 'need for achievement' goals such as higher profit margin. Also the study support that Entrepreneurial orientation (EO) as described through innovativeness, risk-taking, and proactive widely touted as a fundamental ingredient for enhancing firm growth having a significant positive association with SME growth (employment and sales growth) dimensions, and risk-taking as the factor showed a significant influence on employment and asset growth (Neneh and Van Zyl, 2018).

Key informants interview with Sarah Turner, CEO of Sunflower Harvesters Inc.

Key Findings

"Ms. Turner discussed the company's operational strategy, which is centered around sustainability and innovation. Sunflower Harvesters Inc. invests heavily in research and development to develop eco-friendly processing techniques and reduce the environmental impact of their operations"

"Furthermore, according to Ms. Turner, this strategy has not only enhanced the company's reputation but also attracted environmentally-conscious consumers. They've experienced a 20% increase in market share and have established themselves as a sustainability leader in the industry".

Lastly, "Ms. Turner acknowledged that implementing such an innovative strategy presents challenges, including the need for constant adaptation and higher initial investment. However, she emphasized the long-term benefits in terms of performance and brand recognition".

4.4 Business environment indicators

Firms' perceived factor to what extent the growth of the firm was influenced by favorable business environment aspects was reported that; Demand for sunflower oil is very favorable as reported by 65 (67.7%) firms to influence PSPFs due to available oil deficit within a country and healthier friendly (cholesterols free). Technological support from government institutions like SIDO and private organizations, and firm's farm, and farmer's contracts was 52.1% and 60.4% respectively were nothing offered; Leasing facilities for business operations, Commercial bank and Microfinance loans, Trade credits (From suppliers) 68.8%, 59.4%, and 64.8% respectively business environment were slightly successful growth. Legal and regulatory framework for policies and taxation such as on interest rate, charges, fees, electricity, and water bills costs 75% was unsuccessful growth environment were perceived. The findings are summarized in the table 4.5;

Table 4.7: Business environment aspects

	Nothing offered	Unsuccessful Growth	Slightly Successful	Successful Growth	Very Successful
Technological government support such as SIDO	50(52.1%)	6(6.3%)	19(19.8%)	12(12.5%)	9(9.4%)
Leasing facilities for business operations	17(17.7%)	13(13.5%)	66(68.8)	0(0%)	0(0%)
Commercial bank and Microfinance loans	5(5.2%)	10(10.4%)	57(59.4%)	14(14.6%)	10(10.4%)

Demand for sunflower oil	0(0%)	0(0%)	0(0%)	31(32.3%)	65 (67.7 %)
Trade credits (From suppliers)	19(19.8%)	0(0%)	62(64.8%)	10(10.4%)	5(5.2%)
Firm's farm, and farmers contracts	58(60.4%)	0(0%)	24(25%)	14(14.6%)	0(0%)
Interest rate, charges, fees, electricity, water bills costs	0(0%)	72(75%)	24(25)	0(0%)	0(0%)

Source: Field Data (2023)

Technological support from government institutions like SIDO are confiscated by bureaucratic from officials, confidentiality of available and untimely realize of fund to beneficiaries, monopolizing the organization for their own benefits and their friends, hence most of the studied firms decided to quit the organization and stand solely. In addition to that, the firms are not influenced by policy maker's goals on value chain, where by 19 (82.6%) firms were replied "No" especially on employment growth, while 4 (17.4%) firms replied "Yes" to indicate government influence on firm growth through value chain initiatives; while on the financial environments commercial banks, microfinance institutions, and International standard financial reporting in less applicable due to constraints of seasonal productions, high interest rates, and illiterate on financial education. Likewise, the extent of Interest rates, charges, fees, electricity, water bills costs influencing firm growth reportedly 82.6% to affect firm growth and unfriendly showing environmental determinants to be insignificant contribution as was concluded as well by Haibo et al., 2009; and Mashenene, (2015).

4.5 Relationship between the entrepreneurship traits, operational strategy and business environment and performance of the sunflower processing firms.

The regression equation for predicting the performance of sunflower processing firms would be:

Performance = 0.438 + (0.279 * EPT) + (0.242 * BI) + (0.128 * OS)

This equation allowed to estimate the performance of sunflower processing firms based on the values of entrepreneurship traits (EPT), business environment (BI), and operational strategy (OS). The unstandardized coefficient (B) is 0.279 with a standard error of 0.080. The standardized coefficient (Beta) is 0.436. This suggests that for each unit increase in entrepreneurship traits, the performance of sunflower processing firms is expected to increase by 0.279 units after controlling for the other variables.

The unstandardized coefficient (B) is 0.242 with a standard error of 0.068. The standardized coefficient (Beta) is 0.366. This indicates that for each unit increase in the business environment variable, the performance of sunflower processing firms is expected to increase by 0.242 units, again, after accounting for the other variables.

The unstandardized coefficient (B) is 0.128 with a standard error of 0.076. The standardized coefficient (Beta) is 0.193. This shows that for each unit increase in operational strategy, the performance of sunflower processing firms is expected to increase by 0.128 units while controlling for the other variables.

The R-squared value is 65.1%, which indicates that approximately 65.1% of the variance in the performance of sunflower processing firms can be explained by the combination of entrepreneurship traits, business environment, and operational strategy.

The F-statistics is 15, and it is likely associated with the overall significance of the regression model. It's used to test whether at least one of the independent variables is significantly related to the dependent variable.

Discussion of Results

All three independent variables (EPT, BI, and OS) have significant relationships with the performance of sunflower processing firms. This is evident from the low p-values (Sig.) associated with each coefficient, all of which are less than 0.05.

The standardized coefficients (Beta) indicate the relative strength of the relationships. Among the three independent variables, entrepreneurship traits (EPT) have the strongest positive impact on performance, followed by business environment (BI) and operational strategy (OS).

The R-squared value of 65.1% implies that the model explains a substantial portion of the variance in performance. However, there may be other factors not included in the model that also influence performance.

The F-statistics test the overall significance of the model, and it indicates that the combined influence of EPT, BI, and OS is statistically significant.

In conclusion, the regression results suggest that entrepreneurship traits, the business environment, and operational strategy are important factors that significantly influence the performance of sunflower processing firms.

Table 4.8: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
	(Constant)	.438	.054		8.058	.000
	EPT	.279	.080	.436	3.487	.001
	BI	.242	.068	.366	3.584	.001
	OS	.128	.076	.193	1.685	.005

R square 65.1% and F statistics 15

a. Dependent Variable: Performance of sunflower processing industry

4.5 Gross Profit Margin

The analysis of Gross Profit Margin (GPM) distribution within the sunflower processing industry paints a vivid picture of a diversified landscape with varying levels of profitability. A significant proportion of companies, accounting for 55.6% of the total responses, falls into the lower income ranges, specifically below 1,500,000/=. This indicates that the sunflower processing industry is predominantly composed of small to medium-sized enterprises. In contrast, the data shows that the number of companies in the higher income ranges, such as 2,000,001 – 2,500,000/= and above 3,000,000/=, is relatively lower, signifying that only a few companies within the industry manage to achieve high-profit margins. the GPM varies significantly within each income range.

Table 4.9: Gross Profit Margin

	Frequency	Percent
Below 500,000/=	30	31.3
Between 510,000 – 1,000,000/=	23	24.0
Between 1,000,001 – 1,500,000/=	1	1.0
Between 1,500,001 – 2,000,000/=	17	17.7
Between 2,000,001 – 2,500,000	15	15.6
Above 3,000,000/=	10	10.4
Total	96	100.0

Source: Field Data (2023)

The industry is characterized by a multitude of small to medium-sized enterprises, which contribute significantly to the sector's overall composition. This diversity suggests that the sunflower processing industry is not dominated by a few large players but is instead supported by a broad base of smaller companies.

Moreover, the data highlights the challenges faced by companies in the industry in achieving high-profit margins. The relatively low representation of companies in the higher income ranges suggests that generating substantial profits in this sector is a formidable task. Various factors, such as production costs, market competition, or economic conditions, may be contributing to these challenges.

Therefore, despite the profitability challenges, the presence of companies in the middle-income categories, especially the "Between 1,000,001 – 1,500,000/=" range, indicates that growth

opportunities exist within the sunflower processing industry. Small and medium-sized enterprises have the potential to expand their operations and improve their financial performance.

In summary, the sunflower processing industry exhibits a dynamic and diverse landscape where profitability levels vary significantly. The industry is characterized by a multitude of smaller enterprises, with only a limited number of companies achieving high-profit margins.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusion

This study aimed at examining factors influencing growth of sunflower processing firms in Dodoma city council in Tanzania. Moreover, the study intended to study specifically on the influence of entrepreneurial, operational strategy, and favorable business environment determinants on sunflower firm performance.

The results show that Sunflower processing firms performance were reported to experience growth changes since establishment as contributed by 27.9% firm entrepreneurial traits as per multiple linear regression. The entrepreneurial traits were perceived to be influencing factor for firm growth as a result of effective and efficiency aspects in marketing strategy, firm's need for achievement, risk-taking, and hard-work contributed which were both scaled very contributive are contradicting and posing reluctant against professional operating strategies.

Operational strategies was 24 % of the studied firms to influence firm growth perceived as the issue of effective and efficiency to manage and seek markets because producers believe they can influence their own business since the top most important factors are all seem to be under their locus of control with their main goal for owner to sustain for his or her lives and those of dependents. Favorable business environments factors were perceived by 12.8 % as per multiple linear regression as a result of demand for sunflower oil influenced by oil deficit within a country and healthier friendly (cholesterols free). Technological support from government institutions like SIDO and private organizations, and firm's farm, and farmer's contracts was nothing offered, while bank loans for capital requirements are ignored as an enemy of the business.

Firms with growth ambitions should not only be solely based on a competitive strategy; they should also rationally evaluate the overall capabilities of the firm in resources and organization's structure of the firm is prepared for firm growth. It is hope that this information can provide some insights and be a clear wake-up call for the implementation of new programs and policies to enhance awareness to producers to promote firm growth.

5.2 Recommendations

Based on the findings, the following are the recommendations and policy implications

Directed towards improving effective growth of sunflower processing firms in Dodoma city council;

Application of business models for firm growth to be the outcome of an effective business model that will recombine its resources, structure, and strategy to yield valuable organizational outcomes. This will provide a practical implication for producers and entrepreneurs with growth ambitions not only be solely based on a competitive strategy but also should rationally evaluate the overall capabilities of the firm, in other words whether resources and organization structures of the firm are prepared for firm growth.

Provision of financial education to producers by the government, NGOs, and community-based organizations should be potentially invested by facilitating financial literacy awareness, preparation and uses of financial statements and on general importance of International financial standard reporting which is likely to enhance envisioning future of the firm growth alongside value chain initiatives approaches, towards development of the sunflower sub-sector. Emphasizing much practices of sound strategic plans, uses of financial statements by discouraging the culture of tax-payments by estimation for SMEs used by TRA in Tanzania will help to enhance financial health of the firm.

Ensuring reliable supply of electricity is very vital for operation of machines and ensures production process is on progress. Frequently power outage and incoming high voltage power not only deter the production process but also it destabilizes the machine by destroy motors which are very expensive to repair or replace. This could be possible if the processors are located in industrial clustered areas where the power infrastructure can be easily accessible to them. Also, industrial cluster offers potential for economies of information; transport and market to processors than being located in residential areas, which in most cases are unfriendly for expansion and waste disposal and meeting regulatory requirements by TFDA and TBS. The reallocation of plants to the municipality's planned industrial area will enable them to improve their individual processor's credit rating.

5.3 Critical Evaluation

The study on factors influencing the performance of sunflower processing firms in Dodoma City Council has notable strengths in its clear focus, relevance, and a well-supported literature review. However, areas for improvement include clarity in the title, transparency in sample selection and methodology, precision in variable definition, emphasis on practical implications, acknowledgment of limitations, and guidance for future research. Addressing these aspects would contribute to the overall quality and impact of the study.

5.4 Suggestion for further studies

Conduct a comparative analysis of sunflower processing firms' performance across different regions in Tanzania. This would involve examining the factors influencing performance in Dodoma City Council in comparison to other regions. By extending the study to diverse geographical contexts, researchers can identify region-specific challenges and opportunities, providing a more

comprehensive understanding of the industry's dynamics. This could also assist policymakers and

industry stakeholders in tailoring interventions that address specific regional needs and contribute

to the overall development of the sunflower processing sector.

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APPENDICES

Appendix 1: Questionnaire

NOTE:

All information provided by any individual/organization will be confidential and no-one other than those responsible for carrying out the study will have access to the information provided by individual respondents.

Put a tick at your response [　√　]

Part I: General information and Entrepreneurial traits indicators

1. Name of a Firm: …………………………………………

2. Legal Status of Establishment: Private **[　　]** Public Limited **[　　]** Cooperative **[　　]**

   Partnership **[　　]** Organization **[　　]**

3. In which year was your firm registered or established? (Firm age)…………….

4. Since establishment, does your firm have experienced any successful performance

   changes?　　　　Yes　[　]　　No　[　]

5. The experienced performance changes are the results of;

   1= Firm Entrepreneurial traits　[　]　　　　　　　2= Operational strategies [　]

   3= Favourable business environments [　]　　　　4= Both　[　]

6. Did the issue of brand name, need for achievement, risk taking, and hard-work of firm's

   employee contributed to performance of your firms?

   1 = Yes [　　]　2 = No [　　]　3 = Slightly [　　]　4 = Undetermined　[　]

7. To what extent the following attributes has influenced the performance of your firm?

1=Very contributed, 2= Contributed average 3= Low contributed 4= Not contributed

Detail	Score			
	1	2	3	4
It is a result of firm's need for achievement, risk taking, hard-work				
Firm effectiveness and efficiency aspects in Marketing strategy: (market study, mix marketing, customer survey, monitoring, communication etc)				
Firm entry, brand name, packaging, product mix				
Firm age, size and networking are potentially contributed on your firm performance?				

Part II: Operational strategy indicators

8. What are/were the number of employees (excluding owners and partners)?

YEAR	Number of Employees
2018	
2019	
2020	
2021	
2022	

9. Which one has influenced performance of your firm and if it affects performance in number of employees in your firm?

    1= Seasonal production [   ] 2= Low capital capacity [   ] 3= Both [   ] 4= Others …..

10. To what extent strategic planning facilitated performance of your processing firms?

    1=Very contributed [   ] 2= Good contribution [   ] 3= Contributed average [   ]

4= Contributed low [   ]   5= Not contributed [   ]

Detail	Score				
	1	2	3	4	5
Technological improvement, quality of outputs, marketing and networking					
Firm's strategic planning on employee training for machinery, sales, and profitability					

11. To what extent does your turnover increase as results of strategic planning for the last five years?

YEAR	Amount (TZS) "000,000"				
	0 – 10	11- 50	51 -99	100 – 200	Above 200
2013					
2014					
2015					
2016					
2017					

12. To what extent the following fixed assets are crucial for performance of the firm since the establishment?

1= Very crucial, rank one   2 = Crucial, rank 2

3 = Average, rank 3   4 = Not crucial, rank 4

Type of fixed asset	Rank
Land and building	
Equipments (Machinery)	
Vehicles	
Furniture, Computers, etc	

Part III: Business environment indicators

13. Does your firm performance is influenced by policy maker's goals for value chain?

    Yes   [   ]   No [   ]

14. To what extent the performance of your firm have been influenced by the following business environment? (Please tick one box per row)?

1= Very Successful Performance, 2= Successful Performance 3= Slightly Successful Performance,

4=Unsuccessful Performance   5= Nothing offered

Business environment aspects	Measurement level				
	1	2	3	4	5
Technical Government supports such as SIDO, etc					
Leasing facilities for business operations					
Commercial bank loan and Microfinance Institutions services					
Demand for sunflower oil					
Trade credits (from suppliers)					
Firm's farm and farmers agricultural contracts					
Interest rates, charges, fees, electricity, and water bills					

15. To what extent the following legal and regulatory options influenced the performance of your firm especially when is being registered with the government departments.

1= Strongly Disagree 2= Disagree 3= Agree, 4= Strongly Agree,

Environment business Aspects	1	2	3	4
Competitions, importation of crude oil				
Better access to raw materials helped to ensure production and turnover performance?				
Better access of infrastructure services to markets for both inputs and outputs helped in firm performance?				
Firm Standard Financial Reporting helped to manage financial resources for purpose of business performance and performance?				

16. To what extent the following is the most influential factor for successful performance of the firm particularly sunflower processing firms for the sake of subsector development of the economy as well as poverty reduction to be given strong emphasis?   (Indicate the first to the last using 1, 2,3)

Most Successful Factor	Rank
Entrepreneurial traits such as firm's need for achievement, risk taking, hard-work), firm effectiveness, efficiency, firm entry, brand name, packaging, age, size.	
Operational strategies on technological, employees training, sales, profitability, capital equity, innovation, quality inputs, product mix, marketing and networking, fixed assets	
Business environment such as government institutional support (eg SIDO, TBS), level of demand of oil, legal and regulatory framework (policies, taxation), restriction of edible importation, quality of inputs (raw materials, machines), and improved physical infrastructures, financial sources, leasing facilities	