

ABSTRACT

In Tanzania the role of SMEs in contributing to country's economy as well as alleviating poverty cannot be gainsaid. However, many SMEs in Tanzania have been growing at a very slow rate despite their contribution to the economy. Henceforth, ensuring high SMEs performance is of paramount importance. Therefore, this study aimed to determine the influence of managerial skills on the growth of SMEs in Tanzania using Babati Town Council as its case study. The study objectives were to assess the relationship between technical skills and growth of SMEs; to determine the relationship between conceptual skills and growth of SMEs and the last objective was to find out the relationship between interpersonal skills and growth of SMEs. The study used quantitative approach and questionnaires were used as the main tool of data collection. The study involved a sample of 96 respondents sampled from a population of 2500. The findings show that majority of the respondents involved agreed that there is relationship between three managerial skills i.e. technical, conceptual and human interpersonal with SMEs growth. The study revealed that technical skills such as achieving goals, designing different products, efficiency and performing complex operations were important for SMEs growth. Also the study found that conceptual skills such formulating new ideas, diagnosing problems and seeking solution and adapting to new environment were also important skills for growth of SMEs. However, since most of the SMEs in Babati Town Council are owned and run by individual person or family members, it is obvious that human interpersonal skills may not have expected contribution to SMEs growth compared to other managerial skills. This study concludes that possession of managerial skills such as technical, conceptual and human interpersonal skills is a key factor in the growth of SMEs in Babati district and Tanzania in general. The study recommends that, the government should continue educating more SMEs so that SMEs can keep growing while creating a more-friendly environment so that more SMEs can keep mushrooming for the development of the country's economy.