PERFORMANCE OF RURAL AND URBAN WOMEN OWNED SMALL AND MEDIUM ENTERPRISES IN TANZANIA: DO SOCIO-CULTURAL FACTORS MATTER?

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Abstract
Worldwide including Tanzania, urban and rural women owned Small and Medium Enterprises (SMEs) have shown differences in entrepreneurial capabilities. This study compares the performance between urban and rural women owned SMEs in Chamwino and Dodoma urban districts in Tanzania. A cross-sectional survey involving use of a questionnaire was administered to 240 respondents to collect quantitative data. Additionally, eight case studies were developed from qualitative data collected using in-depth interview. Independent samples t-test was used to compare existence of differences in business performance between urban and rural women owned SMEs. Qualitative data were analyzed using content analysis. The findings show that business performance between rural and urban SMEs were statistically different ($p < 0.01$) whereas the mean score for the performance of urban women owned SMEs was 3.0 times that of their counterpart rural owned women SMEs. The findings further indicate that socio-cultural factors such as low level of education, unbalanced family role, poor access to business information, absence of role models, poor financial control, poor access to credit; poor societal attitude and support were highly pronounced in rural areas. These findings imply that urban women owned SMEs are entrepreneurially more favoured than those in rural areas. Based on findings, the study concludes that differences in business performance between women owned SMEs are due to socio-cultural factors differences which exist between rural and urban business environments. It is recommended that such differences in socio-cultural factors need to be addressed through different entrepreneurial programmes such as training and mentorship.

Key Words: *Business performance, Urban and Rural Women, Small and Medium Enterprises, Socio-cultural Factors, Tanzania*

1. INTRODUCTION

Small and medium enterprises (SMEs) have been the catalyst for economic growth elsewhere in the world including Tanzania. According to SME definition in Tanzania, micro enterprises engage one up to four persons or have capital investment of up to TZS[2] five million. Small enterprises engage between 5 and 49 employees or have capital investment between TZS 5 and TZS 200 million; and medium enterprises engage between 50 and 99 people or have capital investment of between TZS 200 and TZS 800 million. In Tanzania, there are about 3.16 million SMEs which are owned and managed by about 2.75 million SME and contribution of the sector to the country's GDP is about 27 % (URT, 2012).

SMEs are operated by SME owners (people) who live in an environment which is composed of a number of factors including socio-cultural factors which tend to influence the performance of the enterprises. In this respect, this study sought to define and operationalize the concept of socio-cultural factors. Mashenene (2016) grouped social and cultural factors into socio-cultural factors. Mashenene defined them as factors including social, values, norms, belief, perception and attitude. In this study, socio-cultural factors are defined as those factors including level of education possessed by women owning SMEs, and their family roles. Women owning SMEs have freedom for mobility, access to business information by women owning SMEs, presence

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[2] TZS means Tanzanian Shilling; 1 USD = 2,298.53 TZS as per 5th May, 2020 exchange rate

of role models to women owning SMEs, financial control by women owning SMEs, access to credit by women owning SMEs, society attitude and the support that women owning SMEs get. Furthermore, Majenga (2013) defined women owned enterprises as those enterprises initiated, organized and operated by women. In this study, women owned enterprises are defined as those enterprises in both rural and urban areas established and managed by women.

Previous studies in Tanzania women owned SMEs have tended to compare their performance with those owned by their male counterparts (Tundui, 2012; URT, 2012). For instance, URT (2012) established that the number of women is slightly higher than men (54% women compared to 46% men) who own and operate their own businesses but such a high proportion of businesses owned by women fall under the category of microenterprises while men over represent women in owning small and medium enterprises. Furthermore, few studies which have assessed the performance of women owned SMEs in Tanzania have tended to generalize that the performance of SMEs owned by women is affected by socio-cultural factors (Majenga & Mashenene, 2014; Maziku, *et al.,* 2014; Majenga, 2013). These studies have not taken into account the differences in socio-cultural setting between the rural and urban women owned SMEs and their effects on the performance of SMEs owned by women. In this regard, this study compared the performance of rural and urban women owned SMEs in Tanzania by taking into account differences in socio-cultural settings between the rural and urban business environment.

2. LITERATURE REVIEW

2.1 Theoretical Literature Review

2.1.1 Theory of Planned Behaviour

Ajzen (1991) developed the Theory of Planned Behaviour (TPB) which argues that behaviour can be either deliberate or planned and intention is the best predictor of such behaviour. This means that there are specific actions that are conceived by a conscious intention which lead to act in a specific way. Additionally, attitude is the predictor of intentions that are affected by someone's past life experiences, personal characteristics and perceptions derived from such past experiences. Intention as a cognitive representation of an individual's readiness to carry out certain behaviour is influenced by three antecedents of attitude. The first is attitude toward behaviour which refers to the extent to which an individual has positive thinking about carrying out certain behaviour. It represents the degree of desirability and includes expectation of outcomes resulting from this behaviour. The second one involves subjective norms that are concerned with social and culture pressure to undertake a specific behaviour. These pressures can come from friends, family, social networks or expectations from mentors about the desirability of, for instance becoming entrepreneurs. The third one involves perceived behaviour control, which is concerned with measuring of an individual's perceived ability to carry out a specified behaviour (Lorz, 2011).

The following key questions summarize three concepts in the theory of planned behaviour. How desirable is it to undertake such behaviour? How desirable do individuals close to an individual in question think it to form this behaviour? Do I believe in my own that I have ability to undertake such behaviour? In this study, the theory of planned behaviour is relevant since socio-cultural environment such as family roles, entrepreneurial mobility, access to business information, availability of role models, monetary control, access to credit, societal attitude and support predict business performance. In various circumstances, TPB has been useful in many related previous studies (Mashenene, 2016; Maziku, 2014; Tundui, 2012). However, TPB has limitation in explaining business performance since it does not include performance indicators. To measure business performance, the resources-based theory was added in this study and it is discussed below.

2.1.2 Resource Based Theory

The resource-based theory (RBT) was developed by Wernerfelt (1984) and it argues that internal resources controlled by a firm tend to be potential source of sustained competitive advantage given the fact that such resources are high value, rare, difficult to imitate and non-substitutable. This means for a resource to be regarded as a source of competitive advantage, it must satisfy three necessary conditions. The first one is about the output from valuable resources to be purchased by buyers willingly at a price far higher than the costs spent by the firm to bring such output in the market. The second one is when such output is scarce due to being subjected to limited supply. The third one is that such output is difficult to be either imitated or purchased by competitors (Porter, 1980; Barney, 1991; Cardealand Antonio, 2012).

In the view of this study, the resources for the urban women owning SMEs such as freedom for mobility in business matters, access to credit, ability to control business fund through bank account ownership, well managed family roles, access to business information and reasonable societal support give them competitive advantage which consequently enhance business performance. This means that, in the course of comparison of performance between urban and rural women owned SMEs, the urban women owning SMEs have a greater chance to perform better since their performance is shielded by such valuable resources. This RBT has been useful in several studies measuring firm's performance including the recent study of Kumburu, Kessy and Mbwambo (2019).

2.2 Empirical Literature Review

Worldwide socio-cultural factors have been reported to affect the performance of women owned SMEs. For instance, Kamunyu and Theuri (2017) found that SMEs owned by women in Kenya were affected by inadequate capital, inadequate skills in doing business and limited access to credit facilities. These findings imply that in several countries in the world the performance of SMEs owned by women experience some challenges that hinder business growth. Mbiti *et al.* (2015) in Kenya revealed a positive influence of socio-cultural factors on the growth of women-owned SMEs. Similarly, the study of Gebremariam (2017) when assessing factors affecting the performance of micro and small enterprises operated by women in Ethiopia found that gender is one of the main challenges. Implication of the findings from the two studies indicates that socio-cultural factors had influence on the growth of women-operated SMEs. However, these studies have tended to generalize without making comparison of the effect of socio-cultural factors on the performance of SMEs owned by women between rural and urban areas.

Previous studies conducted in Tanzania have indicated that socio-cultural factors have effects on the performance of the women owned SMEs in Africa including Tanzania. For instance, Msoka (2013) investigated the relationship between entrepreneurship skills and the performance of enterprises owned by women owned in Africa using both qualitative and quantitative study approaches. The study involved nine (09) as key informants and 73 women operating micro and small enterprises. The findings indicate that entrepreneurship knowledge which is a social factor and the performance of women owned small scale businesses are related. For instance, Majenga and Mashenene (2014) when studying the influence of socio-cultural factors on financial performance among women owned SMEs) in Tanzania revealed some critical socio-cultural factors shown the effect of financial performance of women owned SMEs. These include inadequate level of education and training in business aspects, limited access to business information, interference from their husbands in control of business fund control and unsupportive efforts from husbands.

The study by Maziku *et al.* (2014) in Tanzania indicated that women immobility, limited support from members of the society and ethnicity negatively affected the performance of women owned SMEs. Additionally, the same study revealed that family roles, education level

and presence of role models were predictors the performance of SMEs owned by women. The study by ILO (2014) in Tanzania revealed that a key barrier facing women to establish and manage enterprises is the cultural environment that encompasses traditional reproductive roles, relations of power and gender associated impediments such as lack of collateral and inequality in inheritance between women and men. These findings brought about the gap that necessitated carrying out a comparative study between rural and urban women owned enterprises so as to fill the gap in the existing knowledge. Further, Sanka *et al.* (2018) on the influence of socio-cultural factors on the performance of SMEs owned by women in Shinyanga Municipality revealed that socio-cultural factors had a small positive relationship with profitability. The findings from this study still cement on existence of knowledge gap since it was carried out in Shinyanga Municipality and it excluded women owning SMEs in the rural Shinyanga.

3. RESEARCH METHODOLOGY

This study was carried out in Chamwino and Dodoma urban districts in Dodoma region, Tanzania for the purpose of being able to compare the performance of women owned SMEs. In this study Dodoma urban and Chamwino districts were selected to represent the urban and rural settings respectively. The study employed a cross-sectional research design whereas data collection was made by at one time point from June 2013 to July 2013. This study involved a sample of 240 women owning SMEs who were proportionately sampled in which 165 (68.8%) of them were selected from Dodoma urban district and 75 (31.3%) of them were selected from Chamwino district. The difference in number of representation of women owning SMEs from Chamwino and Dodoma urban districts was due to the reason that in rural district (Chamwino district) small number of women engages in business compared to those in the urban district. On the other hand, women owning SMEs shown low participation rate in the survey due to lack of awareness and trust on researchers. Pre-testing of questionnaire was carried out to ensure reliability of data is enhanced. After pre-testing of the questionnaire, unsuitable questions were dropped and relevant missing information was added in order to make the instrument capture required data. In-depth interview using interview guide was conducted on four women SME owners from each district that were purposively selected and later on four case studies from each district were developed making a total of eight case studies. In addition, two (02) focus group discussions (FGDs), one (01) from each district was carried out to collect qualitative data that relate to socio-cultural factors and business performance. Each FGD session lasted from 1 to 2 hours.

Content analysis was employed for qualitative data analysis whereas recorded data first were transcribed and then later some themes were developed. Responses obtained from interview sessions were compared and contrasted. The results were matched with empirical evidence and those from existing literature. Qualitative results emanating from FGD and case studies were used to add-on quantitative results. Quantitative data were analyzed using the Statistical Package for Social Sciences (SPSS) version 23 as data analytical tool. To capture differences in socio-cultural settings between urban and rural women owning SMEs, mean scores were computed from the 5 – points Likert scale (5 = strongly agree, 4= agree, 3 = neither agree nor disagree, 2 = disagree, 1 = strongly disagree) and thereafter the findings were tabulated and discussed in section 4.1.

In order to compare differences in business performance between urban and rural women owned SMEs, independent samples t-test was carried out. In the course of data analysis, weighted average capital growth rate (WACGR) was computed from data on capital which were generated from businesses of the rural and urban women owned businesses for five years (i.e. from 2009 to 2013). The choice of independent samples t-test in this analysis was due to the fact that the rural and urban women SME owners were treated as independent samples since each group has operated in different socio-cultural factors. During the field, data on capital invested

in 2013 and 2009 were captured. During the analysis, WACGR for a period of five years (i.e. from 2009 to 2013) were computed using capital invested in businesses for that period. Computed WACGR helps harmonizing yearly fluctuations in the data (Mashenene, 2019). To minimize positive skewness and make data a normal distribution, natural logarithms of capital was performed (Mashenene, 2016). WACGR was computed using the formula adopted from Mashenene (2019);

$$WACGR = \left\{ \left(\frac{\ln(capital\_2013)}{\ln(capital\_2009)} \right)^{\frac{1}{n}} \right\} - 1 \ldots\ldots (1)$$

Whereby:
WACGR = Weighted Capital Growth Rate
Ln = Natural Logarithms
n = Number of years from which changes in capital was measured (i.e. from 2009 to 2013).

To get scientific results, using WACGR null and alternative hypotheses were stated as below:
Null hypothesis (H_0): The mean scores of WACGR between rural and urban owned SMEs were the same.
Alternative hypothesis (H_a): The mean scores of WACGR between the rural and urban owned SMEs were different.
Further, the two hypotheses were presented using the following mathematical expressions;
H_0: $\mu_{1cp} = \mu_{2cp}$ ……(2)
H_a: $\mu_{1cp} \neq \mu_{2cp}$ ……(3)
Where: H_0represents null hypothesis, H_a represents alternative hypothesis, $\mu_{1cp}$is the mean score of weighted average capital growth rate for urban women owned SMEs, $\mu_{2cp}$is the mean score of weighted average capital growth rate for rural SMEs. The significance level of .05 was considered in this study.

To estimate the magnitude (size) of the mean difference in the performance of urban and rural women owned in the study areas, Eta Squared was computed during further analysis. The Eta Squared is a good measure for effective size of mean difference within the context of group differences in the given observation (Cohen, 1988). Cohen (1988) formula was used to compute Eta Squared as hereunder.

$$EtaSquare = \frac{t^2}{t^2 + (N_1 + N_2 - 2)} \ldots\ldots (4)$$

Where:

t = calculated t- statistics

N_1, N_2 = number of sample size of the urban and rural women owned SMEs in the study areas.

Eta squared is the statistical test for measuring size of the effect of dependent variable which always ranges from 0 to 1 and it shows the proportion of variance in the dependent variable that is explained by the independent variable. Cohen (1988) argues that, a value of Eta Squared of 0.14 shows the effect is large, 0.06 shows the effect is moderate and for small effect the value is 0.01.

4. FINDINGS AND DISCUSSION

4.1 Descriptive Statistics Findings on Socio-cultural Factors

Table 1 presents the differences in socio-cultural settings between urban and rural women owning SMEs. The findings indicate that the means of all socio-cultural factors under the study were above the mean of 2.5 implying that women owning SMEs in urban areas were more

favoured with socio-cultural setting than those living in rural areas whose means for socio-cultural factors were below the mean of 2.5. As the matter of fact, women owning SMEs in urban areas have supportive family roles (M = 3.89) such as taking care of the children, cooking, washing and others are taken care of by housekeepers in most cases, as a result they get ample time to concentrate with their businesses. Connectedly, women owning businesses in urban areas have freedom for mobility (M = 4.12) to travel from one point to another for business matters. Such mobility enables them to exploit entrepreneurial opportunities and give them moment to learn from others in different places on how to do business better. Moreover, women owning SMEs in urban areas had access to business information (M = 4.54) due to being exposed to television, radio, newspapers, magazines, internet, public and private offices as well as social media. The research findings also show that women owning SMEs in urban areas have access to business role models (M = 4.76) that in most cases give them inspirations and experiences to improve their business operations.

In a similar manner, women owning SMEs in urban areas experience freedom to manage their funds (M= 4.03) generated from their businesses. This implies that women in urban areas experience little interference from their husbands in managing their own funds and in most cases, this is attributed to being exposed to financial services provided by commercial banks, microfinance institutions and mobile money. Connectedly, women owning SMEs in urban areas have access to credit (M =4.25) due to being informed of financial services and being closer to money lenders. Such findings imply that the majority of women owning SMEs in urban areas have right of property (assets) ownership which enable them to use such assets as collateral. Regarding society's attitude, the findings reveal that the attitude of the society in urban areas toward women to perform businesses was positive (M = 3.93). The findings further reveal that such a society with positive attitude offer positive support (M = 3.77) to women owning SMEs.
Comparatively, the means of all seven socio-cultural variables under the study for women owning SMEs in rural areas were below the mean of 2.5 implying that the business environment in rural areas was not favouring women operating SMEs. Such findings indicated unsupportive family roles (M = 2.01) which reveal that the majority of such women were confronted with a lot of family roles such as reproductive role, taking care of children, cooking, washing and cultivation. It should be remembered that in rural areas most women do not employ housekeepers to assist them in handling family roles. Additionally, low mobility for entrepreneurial activities (M = 2.23) is another socio-cultural factor which is not favouring women owning SMEs to improve their businesses since most of married women are hampered by their husbands to travel from one place to another for business matters. In so doing, such women are denied chances to exploit entrepreneurial opportunities and share business experiences with others. Poor access to business information (M = 2.31) was revealed as one of the socio-cultural factors which hinders business performance since in rural areas sources of information are not such ubiquitous. It should be remembered that information is power; whoever operates with inadequate information hardly achieve the intended objectives.

The findings also revealed inadequate presence of role models (M = 2.08) in rural areas since the performance of business owned by women was not so remarkable to create enough inspiration to others. Regarding monetary control, the findings show that women owning SMEs were being confronted with poor financial control (M = 2.14). It was learned from their experiences that the majority of married women were being restricted by their husbands in their businesses particularly in financial matters. In some cases, husbands were either stealing their money or taking their money by force. Moreover, poor access to credit (M = 2.06) was revealed as one of socio-cultural factors which was unfavourable to the performance of their businesses. This was revealed so since no financial institution was found to be operating in rural areas. In addition, such women with inadequate information about loans and collateral experienced a challenge since all assets were under ownership of men. Finally, unsupportive society's attitude

(M = 1.86) and low societal support (M = 1.75) were revealed to be unfavourable to the performance of women owning SMEs in rural areas.

Generally, the findings by ILO (2016) support the findings from this study in a sense that women owning businesses in Egypt face difficulty in balancing between entrepreneurial and family roles, limited access to financial and non-financial services, limited market and technology and inadequate business networks. These findings are similar to what is going on in Tanzania particularly in the rural areas. Also, these findings are supported by those of International Finance Corporation (2019) which showed that social norms and gender disparities in access to education hinder women SMEs from expanding their businesses.

Table 1: Differences in Socio-cultural factors

Variables	Mean scores of Dodoma urban district women owning SMEs	Mean scores of Chamwino district women owning SMEs
Family roles	3.89	2.01
Mobility	4.12	2.23
Access to business information	4.54	2.31
Presence of role models	4.76	2.08
Monetary control	4.03	2.14
Access to credit	4.25	2.06
Society's attitude	3.93	1.86
Society's support	3.77	1.75
Overall Mean	**4.21**	**2.10**

4.2 Qualitative Findings from Case Studies

The summary of qualitative findings from eight case studies (Table 2) indicate that almost in all socio-cultural factors presented in the cases, rural women owning SMEs were not favoured with such socio-cultural environment (negative sign). For instance, all rural women owning SMEs were seriously confronted with family roles such as over-reproduction, children rearing, cooking, washing and receiving visitors. Additionally, rural women were denied mobility by their husbands from one place to another particularly for entrepreneurial opportunities. In a similar manner, rural women had limited access to business information such as market and inadequate business role models.

Similarly, rural women were confronted with interference from their husbands in managing their businesses funds as in most cases they were forced to give money to their husbands for their own expenditures. Poor monetary control of rural women was magnified by their practice to keep cash at home since they had no bank account. As regards to access to credit, rural women had limited access to credit since they had no collateral as most of the collaterals including assets were owned by husbands. Connectedly, poor access to credit was due to poor business performance among rural women and negative attitude from the society by disregarding women engaging in business. As a result, rural women owning businesses experienced poor support from their husbands particularly when they wanted to travel for business matters or acquire loan from money lenders. On the other hand, urban women owning SMEs were favoured socio-culturally (positive sign) and hence their business performance was favoured too.

Table 2: Summary of Qualitative Results

Variables	TT	PQ	SS	GG	ZOO	ZK	EM	JM
Rural/Urban	Rural	Rural	Rural	Rural	Urban	Urban	Urban	Urban
Education	Std 7	Std 7	Std 7	Std 7	Std 7	Degree	Masters	Degree
Family role	-	-	-	-	+	+	+	+
Mobility	-	-	-	-	+	-	+	+
Access to information	-	-	-	-	+	+	+	+
Role models	-	-	-	-	+	+	+	+
Monetary control	-	-	-	-	+	+	+	+
Access to credit	-	-	-	-	+	+	+	+
Society attitude	-	-	-	-	+	+	+	+
Society support	-	-	-	-	+	+	+	+

Key: Negative sign (-) = variable not favoured, positive sign (+) = variable favoured and TT, PQ, SS, GG, ZOO, ZK, EM and JM are nick names for the case studies developed

4.3 Performance of Women Owned SMEs

4.3.1 Testing for t-test assumptions

Before comparing the statistical differences in performance between urban and rural women owned SMEs, assumptions underlying t-test were considered important to be tested. In this study normality, outliers and Levene's test for equality of variances were the assumptions that were considered necessary and tested.

4.3.1.1 Normality

Table 3 presents results of tests for normality in which average capital of 2009 and 2013 was used as test variable to test for normality. Statistically, normality refers to data being normally distributed and principally it is a key assumption in measuring the variation of variables. The assumption for normality is important if results are to be generalized to the entire population, which was the intention of this study (Field (2013). Always, normality test is performed numerically with the use of inferential tests including Shapiro-Wilk (S-W) and Kolmogorov-Smirnov (K-S). It is from these tests normality of data to normal distribution is compared and it gives advantage of providing objective decision. The test for K-S is taken appropriate when samples are larger than 200 whereas S-W is estimated appropriate when samples range from 50 to 2000. Since this study contained a sample size of 240, the already discussed facts for K-S and S-W tests were appropriately considered.

Table 3: Normality Tests

Variables	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Average capital _ 2009	0.261	240	0.000	0.911	240	0.000
Average capital _2013	0.342	240	0.000	0.980	240	0.000

The results of K-S and S-W indicate that the tested variables were statistically and significantly different at $p < 0.000$ from normal distribution implying that the test variables are not normally distributed; hence they suggest violation of the normality assumption. Pallant (2011) suggests that the significance of K-S and S-W is expected for large sample sizes, but this is not taken into

consideration as deviation of data from normal distribution (Abbasi, 2011). In line with this argument, data were considered appropriate for t-test in respect to the K-S and S-W test.

4.3.1.2 Outliers

Since t-test is sensitive to outliers, before the analysis was performed, data were tested tor the presence of outliers. The tested variables (average capital for 2009 and 2013) showed normal distribution suggesting that data had no outliers.

4.3.1.3 Levene's test for equality of variance

Levene's test (Table 4) was performed to test homogeneity assumption in the variances of the population from which the samples were drawn. Levene's test is used before interpreting the results of a t-test and essentially tests the assumption that the variances are equal (Lawson, 2014). The reason for conducting this t-test is that a t-test is invalid if this assumption is not satisfied (Vogt, 2005). The significance levels of the Levene's test are 0.456 and 0.354 for the average capitals of the two groups (urban and rural women owned SMEs) in 2009 and 2013 respectively which were greater than the cut-off point of 5%. Based on these results, equal variances as one of the assumptions has not been violated; thus, t-values reported were presented in the first line (Table 4) which refers to equal variance assumed (Lawson, 2014).

Table 4: Levene's Test

Variable	Variances	Levene's Test for Equality of Variances	
		F	Sig.
Average capital _2009	Equal variances assumed	1.679	0456
	Equal variances not assumed		
Average capital _2013	Equal variances assumed	3.006	0.354
	Equal variances not assumed		

4.4 Empirical Findings

4.4.1 WACGR T-test results

The mean scores of WACGR indicated differences in business performance between urban and rural women owned SMEs (Table 5). The findings show that the mean of WACGR among urban women owned SMEs from 2009 to 2013 was 0.8301 as compared to the mean of 0.2769 among rural SMEs. These findings imply that the mean of WACGR among urban women owned SMEs was 3.0 times that of the rural women owned SMEs suggesting that urban women owned SMEs demonstrated higher performance than rural women owned SMEs. Additionally, the findings from t-test show statistically significant difference ($p < 0.000$) between WACGR of urban and rural SMEs. Following these findings, alternative hypothesis is empirically accepted and null hypothesis is rejected.

Table 5: T-test results for using WACGR

Variables	Women Owned SMEs	n	Mean	Std. Deviation	Std. Error Mean	t
WACGR	Urban	165	0.8301	0.3465	0.02889	5.968***
	Rural	75	0.2769	0.4789	0.029901	

**** denote significant level at 1%*

Such discrepancy in the performance between rural and urban women owned SMEs was due to differences in socio-cultural environment. Empirically, findings emanating from qualitative findings of eight case studies indicated that all four (100%) rural women owned SMEs were standard 7 leavers while three case studies out of four (75%) of women owned SMEs in urban had education level from bachelor degree and above. In this view, such groups of women owned SMEs could not perform in the same manner due to differences in education level. Findings from the current study were supported by Ishengoma (2018) which found that women

with a minimum of secondary education demonstrated high level of business formalization and management. In the same way, qualitative findings from FGD exhibited similar responses;

> *"…most of us in the rural areas are standard seven leavers and there are women in rural areas that have never been to school at all. This is the stumbling block for us to perform businesses successfully…".* FGD held on 10th June, 2013 at Buigiri village in Chamwino District.
>
> *"…the majority of women owning business in urban areas have secondary and tertiary education. This is the competitive advantage for us in relation to the rural women owning businesses…".* FGD held in Dodoma Urban District on 20th June, 2013.

In a similar manner, the results from t-test were supported by Eta Squared estimates which indicate that the magnitude (effect size) between urban and rural is 0.13 which implies existence of large size in differences of socio-cultural factors influencing business performance between urban and rural women owned SMEs (Cohen, 1988). This large magnitude of the effect is most likely caused by disparity in socio-cultural factors between urban and rural women owned SMEs. The results from t-test and Eta Square enabled the study to reject the null hypothesis. These results were in harmony with those of Mashenene (2019) which revealed that differences in socio-cultural factors resulted into differences in business performance.

5. CONCLUSION AND RECOMMENDATIONS

Based on the findings, it is concluded that the performance between urban and rural women owned SMEs differ statistically. The main reason for such discrepancy in business performance is the result of socio-cultural differences between urban and rural environment. The findings from this study have contribution to current thinking, policy and practice in SME sector. Regarding current thinking, there are a number of women owning SMEs in the rural areas; this study contributes to bring about encouragement to other women particularly the youth from rural areas to get into SME sector. Additionally, the findings contribute to current thinking that if women owning SMEs are well supported by the society including their spouses, they have great chance to improve the performance of their businesses. Policy contribution from the findings is that policy makers should treat rural and urban women owning SMEs in different approaches and strategies. This is evident due to a number of socio-cultural factors studied which seem to be stumbling blocks for women SMEs. In this view, conditions on access to credit, business information and entrepreneurship education need to be customized to suit the targeted socio-cultural setting. Regarding contribution to practice in the SME sector, women owning SMEs are confronted with socio-cultural factors which are not supportive to their enterprises particularly those in the rural areas. Such unsupportive socio-cultural factors studied hamper women to compete with their counterpart male owning SMEs.

The study recommends to policy makers particularly the Ministry of Industry and Trade (MIT) through Small Industries Development Organization (SIDO), Ministry of Health, Community Development, Gender, Elderly and children (MoHCDGEC), NGOs, Ministry of Lands, Housing and Human Settlement Development (MoLHHSD), International Labour Organization (ILO) and Local Government Authorities (LGAs) to collaborate in supporting women by exposing and empowering them through business training, access to capital, asset ownership, financial control, mentorship and shared responsibilities in family roles. More importantly, women empowerment should be prioritized to rural women who seem to have been adversely affected by socio-cultural factors. The study recommends training packages for rural women should integrates digital entrepreneurship which will help to disseminate entrepreneurial information related to unfavourable socio-cultural factors; at the same time digital banking will be the solution to financial control by women owning SMEs. The study further recommends to men/husbands in rural areas to stop posing much interference in the businesses of their wives

since this behaviour is a stumbling block to the performance of SMEs owned by women in rural areas.

It is further recommended to academicians in future to carry out another study by involving many districts in the country in order to establish if socio-cultural factors among several districts pose the same or different effects on performance of businesses owned by women. Also, it is recommended to undertake a longitudinal study in order to establish areas for intervention on socio-cultural change. More importantly, experimental research design is recommended for better establishment of causal relationship in the variables under the study. The study also suggests the use of gender theories as one of areas in future studies.

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