UNIVERSITY OF KWAZULU-NATAL

DEVELOPING A FRAMEWORK FOR ENTREPRENEURIAL STRATEGIES AND SME PERFORMANCE IN TANZANIA-BASED BAKERIES

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DECLARATION

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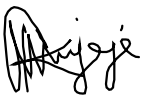
Signed: 

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DEDICATION

This study is dedicated to my wife Leocardia, and our two lovely kids, Nicholaus and Asma.

GLOSSARY OF ACRONYMS

A	Age
AA	Advanced Age
AE	Owner's/Manager's Advanced Education
AL	Advanced Level Human Resource Competency
AS	Advanced Size
AX	Owner's/Manager's Advanced Business Experience
BA	Basic Age
BE	Owner's/Manager's Basic Education
BS	Basic Size
BX	Owner's/Manager's Basic Business Experience
CFI	Customer Focused Innovation
CI	Risk Controlling
CM	Number of Customers
CT	Cost Level
DS	Distribution Strategies
E	Owner's/Manager's Education
EIE	Enhanced Innovation Environment
EIP	Enhanced Innovation Process
ERM	Enterprise Risk Management
F	Female
G	Owner's/manager's Gender
GDP	Gross Domestic Product
HRC	Human Resource Competency
KC	Knowledge Creation
KMO	Kaiser-Meyer-Olkin Measure of Sampling Adequacy
KS	Knowledge Sharing
KU	Knowledge Utilisation
LL	Low Level Human Resource Competency
M	Male
ND	Interdependence
NF	Network Formation
NI	Network Intensity
OT	Output Level
PCA	Principal Component Analysis
PhD	Doctor of Philosophy
PI	Risk Planning

PM	Promotion Strategies
PRS	Pricing Strategies
PS	Product Strategies
RBV	Resource-based View
S	Size
SI	Strategic Risk Initiatives
SL	Sales Level
SME	Small and Medium-sized Enterprise
TBS	Tanzania Bureau of Standards
TCE	Transaction Cost Economics
TFDA	Tanzania Food and Drugs Authority
TMDA	Tanzania Medicines and Medical Devices Authority
TZS	Tanzania Shillings
URT	United Republic of Tanzania
VIF	Variance Inflation Factor
X	Owner's/Manager's Business Experience

ABSTRACT

Tanzanian SMEs have been experiencing difficulties in understanding and applying strategies that would work and improve their performance. A framework of entrepreneurial strategies and SME performance would address such difficulties by enabling Tanzanian SMEs adopt strategies that work. Since a single strategy cannot influence a multidimensional SME performance, the right framework should be a combination of various entrepreneurial strategies. This study sought to develop a framework of entrepreneurial strategies (innovation, risk-taking, marketing, knowledge management, and networking) and SME performance (sales, output, cost, and number of customers) in Tanzania-based bakeries. There is a growing demand of bakery products in Tanzania, and bakeries are set up significantly nationwide. This study adopted a mixed methods approach--the concurrent nested design in which the quantitative approach was predominant. Both the study population and sample size were 359 and 186 registered bakeries in Tanzania respectively. A multi-stage sampling technique was adopted, paving way for stratification, probability proportional to size, and simple random sampling. Data were collected using questionnaires distributed to bakery owners/managers. A total of 161 questionnaires were received. A total of 20 in-depth interviews were conducted to selected bakeries. Variable reduction was done using Principal Component Analysis. The Moderator Analysis was used to address the research questions supplemented by the Qualitative Content Analysis that relied on a Manifest Analysis. The age and size of the bakery, human resource competency, and the owner's/manager's gender, education, and experience were seen to moderate the relationship between entrepreneurial strategies and SME performance. The contribution of entrepreneurial strategies on bakery performance was established. A framework of entrepreneurial strategies and SME performance in bakeries has been developed. The developed framework enlightens the strategies that can drive the competitiveness of Tanzanian SMEs particularly the bakeries. The study suggests that Tanzanian SMEs need to enhance their entrepreneurial capabilities in order to effectively compete in their business. The policy development practices and the capacity building programmes that reflect the nature of the relevant business environment and the characteristics of the particular SMEs can also play a vital role in enhancing these capabilities.

KEYWORDS

Entrepreneurial strategies; small and medium-sized enterprises; SME performance; bakeries; Tanzania

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter seeks to draw a comprehensive introduction of the study whose aim is to develop a framework for entrepreneurial strategies and SME performance in Tanzania-based bakeries. Its genesis touches the contribution of SMEs in economic development particularly in job creation, poverty reduction and GDP growth. The chapter introduces SMEs as useful drivers of economic growth due to their apparent competitive advantages that are seldom exhibited in large entities. The reliance on small and medium-sized bakeries particularly from a developing economy like Tanzania has been explained in this chapter. Therefore, the key players from or linked to both the food industry and the agriculture sector in Tanzania would profoundly benefit from this study. Nevertheless, the chapter confirms that SMEs need to enhance their growth capabilities in order to compete successfully and ultimately make their significant contribution to the economy. These capabilities need to be intertwined with an entrepreneurial mindset of an enterprise. This is why; the chapter introduces an important link between entrepreneurship and SME performance and sustainability. Therefore, SMEs need to develop and adopt entrepreneurial strategies that work. In order to get a clear understanding on the successful strategies, a framework of entrepreneurial strategies and SME performance was to be developed. This framework was developed after specifically testing the contribution of five entrepreneurial strategies on SME performance. These strategies were: innovation, risk-taking, marketing, knowledge management, and networking. A deeper understanding of these strategies was supported by the presentation of SME practices in terms of innovation, risk-taking, marketing, knowledge management, and networking. Additionally, the chapter examines each of the five categories of practices in bakeries. It also links these practices in the Tanzanian context in relation to both bakeries and other SMEs. The aim is to present a fact-based research problem and both the study objectives, and research questions. This is why; the chapter introduces the study objectives, and research questions that are directly translated by the respective relationships between the five categories of entrepreneurial strategies and performance. Nevertheless, the nature of the research questions is characterised by a relevant number of study hypotheses.

1.2 Background Information

SMEs play a vital role in driving socio-economic development in many countries including developing nations. It is estimated that 99% of all of the operating businesses around the globe are SMEs (Robu, 2013; Savlovschi & Robu, 2011). They also account for 99% of all of the enterprises in developing countries, and 95% in Sub-Saharan Africa (Fjose, Grünfeld, & Green,

2010). SMEs contribute significantly in poverty reduction and are the sources of employment opportunities (Katua, 2014; Savlovschi & Robu, 2011). They employ 60-70% of all employees (Robu, 2013; Savlovschi & Robu, 2011). In Tanzania, SMEs are also an engine in poverty reduction (URT, 2012), job creation (Maliti & Mnenwa, 2008), and GDP growth. For example, in 2010, about 27% of the GDP was contributed to by small enterprises (URT, 2012). Their benefits are numerous in various economies. For example, they can prevent large enterprises from controlling the market, and are drivers of innovation (Savlovschi & Robu, 2011), and competitiveness (Robu, 2013). Their competitive advantages can be translated in terms of their efficient utilisation of resources and high capital productivity (Huang, 2003; Savlovschi & Robu, 2011), low production cost, management cost (Keskìn, Şentürk, Sungur, & Kìrìş, 2010; Robu, 2013), high flexibility and fast decision making process, and their lower cost of creating employment opportunities than is in large firms (Savlovschi & Robu, 2011). Also, SMEs need small capital (Keskìn, Şentürk, Sungur, & Kìrìş, 2010). However, in order to continue realising their contribution to the socio-economic development of various economies such as Tanzania, SMEs need to realise growth. This can be realised when a positive performance is achieved. This performance can be influenced by SMEs' entrepreneurial initiatives.

Entrepreneurship is at the heart of SMEs' performance and sustainability. Entrepreneurship is a process of identifying and pursuing opportunities beyond the limits of the resources under control. Entrepreneurial opportunities are situations in which products can satisfy a need. Entrepreneurs can be independent persons or individuals within a firm who pursue an entrepreneurial opportunity and encompass an entrepreneurial mind-set that can be regarded as a driver of competitive advantages in business entities. A competitive advantage is achieved when entrepreneurs develop capabilities that will help the firm to compete (Hitt, Ireland, & Hoskisson, 2007). They develop products, and through these products, managers achieve the firm's competitive advantage. The firm's positive performance is attained when strategic actions are integrated with entrepreneurial actions (Hitt, Ireland, Camp, & Sexton, 2002). An entrepreneurial action is the one that discovers opportunities that are used to create business (Johnson & Van de Ven, 2002). This is because; an entrepreneurship's centre of attention is creation while the strategic management's focal point is firm performance. The creation-performance link is referred to as strategic entrepreneurship (Meyer, Neck, & Meeks, 2002). Strategic entrepreneurship is an entrepreneurial conduct under a strategic perspective. It can be translated as introducing a product in the market and making efforts that intend to sustain its survival (Hitt, Ireland, & Hoskisson, 2007). Entrepreneurship and strategic management are joined by various factors such as innovation, networking, learning, governance, and flexibility to mention a few (Hitt & Ireland, 2000). On the other hand, Hitt, Ireland, Camp, & Sexton

(2001) claim that the two perspectives: entrepreneurial and strategic, can be joined to study entrepreneurial strategies that generate wealth.

An entrepreneurial strategy involves identifying and selecting a value creating option for a firm among a set of various choices (Gans, Stern, & Wu, 2016). It is made up of both internal and external factors that impact a business (Wang, Hermens, Huang, & Chelliah, 2015) and allows a firm to develop capabilities, and position itself in the market (Gans, Stern, & Wu, 2016). Research has for quite long focused on establishing the contribution of entrepreneurial orientation on firm performance. According to Lumpkin & Dess (1996), a combination of all activities that propel a decision in making a new entry is referred to as an entrepreneurial orientation. Miller (1983) characterised an entrepreneurial orientation as innovation, risk-taking, and proactiveness. Lumpkin & Dess (1996) adopted Miller's (1983) facets and added two more dimensions: autonomy, and competitive aggressiveness. In meeting their research objectives, various studies characterise an entrepreneurial orientation based on Miller's (1983) or Lumpkin & Dess' (1996) dimensions. This means that a three dimension model (Kurtulmuş & Warner, 2015; Dai, Maksimov, Gilbert, & Fernhaber, 2014; Wang, Hermens, Huang, & Chelliah, 2015) or a five dimension model (Brownhilder, 2016; Mason, Floreani, Miani, Beltrame, & Cappelletto, 2015; Singh, 2015) can contribute to SME performance. Apart from the five dimension model, Mason, Floreani, Miani, Beltrame, & Cappelletto (2015), and Singh (2015) have added competitive energy, and knowledge respectively. However, entrepreneurial orientation is sometimes likened to entrepreneurial strategies. For example, dimensions such as innovativeness, risk-taking, and proactiveness have been referred to by Duarte (2011) as innovation, risk, and proactivity strategies. Based on this concept, entrepreneurial strategies can be defined in terms of innovation, risk-taking, marketing, knowledge management, and networking. In this regard, an understanding of the entrepreneurial practices in SMEs is of paramount importance. These are the innovation, risk-taking, marketing, knowledge management, and networking practices in SMEs.

1.2.1 Innovation Practices in SMEs

The internal business environment plays a vital role in enhancing innovation capabilities in SMEs and eventually performance (Bayarçelik, Taşel, & Apak, 2014). Nevertheless, diversity and dynamics in market influence innovation initiatives that ultimately foster SME competitiveness (Seo & Chae, 2016). However, these initiatives vary. To a great extent, SMEs tend to make frequent innovations in product development (Nicolescu & Nicolescu, 2012), and in process innovation. They also execute marketing innovations by designing and implementing enhanced promotion, product, and pricing techniques (Bozkurt & Kalkan, 2014). This is why successful innovation requires the integration of customer's requirements and ideas in the innovation processes (Bayarçelik, Taşel, & Apak, 2014). These innovative initiatives include

exploration and creativity (Seo & Chae, 2016) and can be enhanced by the use of ICT (Nicolescu & Nicolescu, 2012) especially when the SME owners/managers are willing to adopt such usage. That is why the adoption of innovation is always predicted by management styles within business organisations (Bayarçelik, Taşel, & Apak, 2014). SMEs are flexible in adopting innovative ideas (Garbelli, 2016). SMEs are ready to engage in innovative practices that improve their technology. They also strive to engage in developing open and effective innovation plans, and establish control mechanisms in a participatory manner (Yanes-Estévez, García-Pérez, & Oreja-Rodríguez, 2018). It should however be noted that the strategic innovation depends on the awareness of SME owners/managers on effective risk management practices (Le Roy & Yami, 2007). This is why, SMEs that strive to manage uncertainties in the business environment are likely to influence enhanced innovation operations and SME performance (Seo & Chae, 2016). The contribution of innovation on SME performance is evident (Rosli & Sidek, 2013; Welsch, Price, & Stoica, 2013; Nicolescu & Nicolescu, 2012). This contribution is mainly driven by both product and process innovations (Rosli & Sidek, 2013). These include the innovation in product development, and development in information and communication technology. They also include improvement in management, marketing, human resource management, and other business practices (Nicolescu & Nicolescu, 2012). However, the success of innovation initiatives depends on innovation capabilities of the firm. These capabilities include the problem-solving processes, structures, and firm resources (Bayarçelik, Taşel, & Apak, 2014).

It has been noted that there are several challenges affecting the innovation practices in SMEs. These include lack of high skilled and experienced staff in innovation, and failure to integrate SME sections through effective communications. Others include volatility in the market, and failure of the SMEs to get support from government, research and academic institutions (Bozkurt & Kalkan, 2014). However, in order to influence growth and sustainability, SMEs have the responsibility of investing in enhanced innovation practices that will bring about economic changes (Nicolescu & Nicolescu, 2012). SMEs need to commit themselves in monitoring changes in markets. They can also invest their resources to carry out a competitor diagnosis in order to understand innovation initiatives and practices of their rivals (Bozkurt & Kalkan, 2014). Nevertheless, innovation can be enhanced through cooperation among SMEs from various industries. Through cooperation, SMEs access knowledge on innovation opportunities, and matters pertaining to industrial property protection (Szłapka, Stachowiak, Batz, & Fertsch, 2017). In most cases, collaborations among SMEs take place in SMEs that share similar characteristics and diversities. These diversities are translated by the SME knowledge, capabilities, and product portfolio and characteristics (Seo & Chae, 2016). Apart from collaborating with other SMEs, they can also collaborate with other entities particularly in

research and development. In this regard, SMEs need to improve their communication processes and structures, and enhance their relations with key innovation stakeholders in order to facilitate innovation activities (Bozkurt & Kalkan, 2014). The cooperation that should exist among SMEs may be in the form of joint innovation projects. The cooperation between SMEs and the research and development community should seek to enhance innovation practices and address innovation challenges within the innovation system (Szłapka, Stachowiak, Batz, & Fertsch, 2017). Generally, all of the innovation initiatives and practices in SMEs require the commitment of SME owners/managers in devising strategies that will address the shortage of competent staff, and financial resources. These strategies should intend to increase SMEs' capabilities in managing innovation processes, and confronting bureaucracy in the process of accessing support from government institutions, and academic and research centres (Bozkurt & Kalkan, 2014). Apart from the innovation practices, the risk-taking practices in SMEs translate into respective entrepreneurial strategies.

1.2.2 Risk-taking Practices in SMEs

SMEs have the responsibility of managing risks in order to influence their profitability (Nanthuru, Pingfeng, Guihua, & Mkonya, 2018). Risk-taking can be identified as the propensity that involves bold engagement in product development, technological innovations, venturing into the unknown, embracing considerable borrowing, and injecting a great amount of resources in an uncertain environment in order to meet current and future demand, increase profitability, and for the sake of outperforming rivals (Mason, Floreani, Miani, Beltrame, & Cappelletto, 2015; Lawal, Adegbuyi, Iyiola, Ayoade, & Taiwo, 2018; Kitigin, 2017). Risks are found in both internal and external business environment. Both internal and external business environment contributes significantly to SME competitiveness (Basile, 2012). Risks from the internal business environment are associated with the workforce incompetency, failure to access finance, bankruptcy of customers, agents, and suppliers, and weaknesses in complying with relevant rules, regulations, and required standards, and the failure to honour business contracts (Belinskaja & Velickiene, 2015). Other risks in the internal business environment are associated with theft, lack of employee commitment, and operation inefficiency. Such inefficiency is mainly characterised by lack of proper and frequent business and entrepreneurship trainings, and poor compensation scheme (Kagwathi, Kamau, Njau, & Kamau, 2014). Generally, the major risk areas in the working environment are associated with security, safety, and health standards (Smit & Watkins, 2012). Risks from the external business environment are associated with national economic situation, and changes in politics, purchasing power, legal, and tax systems (Belinskaja & Velickiene, 2015). Risk can also be structured in terms of monetary, social, and psychological risks (Olaniran, Namusonge, & Muturi, 2016). Other risks are associated with poor employee skills in managing relationships with customers, and failure to

brand their businesses. Effective branding plays a significant role in enhancing customer loyalty (Kagwathi, Kamau, Njau, & Kamau, 2014).

Entrepreneurial characteristics contribute significantly to SME performance (Ajani & Adekanmbi, 2016). The interaction of entrepreneur's vision, expectations, and utilisation of unique assets is the major driver of risk-taking behaviour in SMEs (Dominguez & Raïs, 2012). SMEs are also faced by risks that result from entrepreneurial actions (Smit & Watkins, 2012). These entrepreneurial actions are associated with an entrepreneurial spirit that is related with a determination in attaining business targets, embracing of knowledge acquisition and effective learning, exploring growth opportunities, and readiness to take risks in order to influence business competitiveness (Ajani & Adekanmbi, 2016). An entrepreneurial orientation is an important factor in enhancing innovation initiatives, adapting to changing business environment, and managing customer needs and interests (Zhai, Sun, Tsai, Wang, Zhao, & Chen, 2018). Although the entrepreneur's academic qualifications may facilitate risk management practices; entrepreneurship trainings that seek to promote capabilities in developing and implementing risk-taking techniques should be prioritised in SMEs (Gorzeń-Mitka, 2015). Nevertheless, risk-taking behaviours can be promoted by the experience of owners/managers. For example, a ten year business experience is likely to influence such behaviours in SMEs (Ključnikov, Belás, & Smrčka, 2016). These behaviours are reflected in the owner's/manager's experience in dealing with both formal and informal environment. To a great extent, SMEs operate in informal environment that influences them to establish and rely on informal networks. However, effective management of risks and opportunities associated with informal environment are likely to increase the SME's performance (Lawal, Adegbuyi, Iyiola, Ayoade, & Taiwo, 2018).

Risk-taking can drive SME competitiveness (Lawal, Adegbuyi, Iyiola, Ayoade, & Taiwo, 2018; Kitigin, 2017; Bakar & Zainol, 2015). For example, the knowledge on risks and its management contributes significantly to financial performance (Nanthuru, Pingfeng, Guihua, & Mkonya, 2018). However, SMEs are still facing a number of challenges including those associated with risk management process. Most of them lack competency in managing business operations, and in making financial and marketing forecasts (Smit & Watkins, 2012) although their willingness to take financial and operational risks is apparent (Dominguez & Raïs, 2012). They also lack access to potential markets (Smit & Watkins, 2012). They also face challenges in establishing the connection between risk practices and business processes (Gorzeń-Mitka, 2015). There is also a growing notion that dwells on the fact that operating a large entity may result into risks associated with inability to manage the growing production and operating costs (Falkner & Hiebl, 2015). However, with SMEs, there are a lot of costs related to compliance that are a result of unmanaged risks (Nanthuru, Pingfeng, Guihua, & Mkonya, 2018). In that regard, there

is a need to develop risk control mechanisms that suit the needs of SMEs (Kagwathi, Kamau, Njau, & Kamau, 2014). In order to have effective risk control strategies, SME owners/managers should develop capabilities in foretelling potential hazards (Smit & Watkins, 2012). The risk management practices require SMEs to employ appropriate and unique instruments that are capable of managing risks associated with the business practices and characteristics of both internal and external business environment. These instruments need to have the capabilities of influencing SMEs' economic benefits (Belinskaja & Velickiene, 2015). The enterprise risk management approaches need to be adopted by SMEs in order for them to manage risks, and operation and production costs, and integrate risk practices in their strategic objectives. These approaches enable SMEs to make self risk assessment. Additionally, such approaches are likely to enable SMEs prioritise risks according to a given SME's specific needs and resources (Smit & Watkins, 2012). For example, in order to ascertain their financial performance, SMEs are required to develop capabilities of managing financial risks. This is due to the fact that many SMEs perceive the management of financial risk as the most challenging of the risk management tasks in business (Belás, Ključnikov, Vojtovič, & Sobeková-Májková, 2015). SMEs need to employ their efforts and resources in enhancing their learning environment, research capabilities, and empower their owners/managers and their employees to utilise knowledge in business operations, and increase their entrepreneurial spirit (Zhai, Sun, Tsai, Wang, Zhao, & Chen, 2018). SMEs are likely to experience effective risk management practices in their internal environment if they involve their workforce in risk planning, controlling, and evaluating processes (Smit & Watkins, 2012). The risk management process needs to be integrated in the SME's operations, employee's duties and responsibilities and their characteristics, business strategies, strategic objectives, business processes and practices, and SME's capabilities in order to yield favourable outcomes (Belinskaja & Velickiene, 2015). The risk management capabilities in SMEs should be built through frequent risk trainings, and other capacity building programmes (Nanthuru, Pingfeng, Guihua, & Mkonya, 2018). SMEs have a great need of establishing business collaboration with academic and research institutions in order to access valuable innovative resources and ideas, business knowledge and capabilities, and technology (Zhai, Sun, Tsai, Wang, Zhao, & Chen, 2018). Apart from the risk-taking practices, the marketing practices in SMEs translate into the respective entrepreneurial strategies.

1.2.3 Marketing Practices in SMEs

SMEs need appropriate marketing framework to compete (Hakimpoor, Hashim, Khani, & Samani, 2012). However, to a great extent, SMEs adopt marketing strategies that are driven by marketing mix elements such as product, price, place, and promotion (Kuwu & Gakure, 2014). In that regard, effective marketing enables SMEs translate their market needs, and integrate

them in product development initiatives, and in enhancing their pricing, distribution, promotion strategies, thus ultimately influencing their profitability and competiveness (Jin, 2018). However, it should be noted that the execution of these strategies depends on the firm's resources, innovation capabilities, and enhanced business relationships with key SME stakeholders (Kuwu & Gakure, 2014). The business stakeholders can also be involved and be integrated in marketing programs through relationship marketing (Sathana, Velnampy, & Rajumesh, 2018). Generally, effective marketing strategies entail assessment of customer needs and preferences with a view to integrating them in the improvement of products thus leading to SME competitiveness (van Scheers & Makhitha, 2016). These strategies are reflected in the development and implementation of product initiatives that rely on the needs of potential customers such as appealing packaging, and the significance of business location choice intertwined with relevant distribution and enhanced physical evidence (Nawawi, Husin, & Wiryawan, 2017). Effective distribution strategies have a significant contribution to the SMEs' performance. This contribution is mainly driven by appropriate business location, and convenient delivery mechanisms (Adewale, Adesola, & Oyewale, 2013). Other adopted strategies include marketing communication strategies, and pricing initiatives that integrate the characteristics of potential customers, market dynamics, and production costs (Nawawi, Husin, & Wiryawan, 2017). The contribution of effective pricing strategies on the SMEs' performance is apparent. To a great extent, SME customers are price sensitive. In this regard, low prices are likely to increase SME sales (Adewale, Adesola, & Oyewale, 2013).

The SMEs' product development strategies need to consider the interests of customers in terms of product characteristics such as design and style in order to increase their competitiveness (Adewale, Adesola, & Oyewale, 2013). Product strategies that influence SME competitiveness are the ones that are reflected in new and unique product designs (Awan & Hashmi, 2014), appealing packaging, product size that integrates customer interests and preferences, and after sales service (Adewale, Adesola, & Oyewale, 2013). However, without proper marketing skills, SMEs may fail to develop appealing products, and fail to understand and blend the marketing mix elements in satisfying the needs of their customers and winning their loyalty, thus eventually increasing their competitiveness (Lekhanya & Mason, 2013). This is because; effective marketing campaigns depend on the product knowledge of the employees (Awan & Hashmi, 2014). What should be borne in mind is that quality products cannot influence greater sales unless efforts to raise awareness of the products through effective promotion strategies are made (Čorak & Šnajder, 2016). Both the social media and the word-of-mouth are among the effective strategies (Nawawi, Husin, & Wiryawan, 2017). Nevertheless, the two most effective communication strategies of SMEs have been the word-of-mouth to potential customers, and SMEs' participation in trade fairs and exhibitions in which business networks with key

stakeholders are established (Dzisi & Ofosu, 2014). In that regard, establishing business networks with key SME stakeholders and the use of word-of-mouth are the promotion strategies whose significant impact on SME competitiveness particularly in rural areas is apparent (Lekhanya & Mason, 2013). It has been found that the establishment of marketing networks allows SMEs to make business interactions that attract business stakeholders such as agents, suppliers, and friends to promote their businesses (Awan & Hashmi, 2014). The sales promotion has also been their major strategy used in attracting potential customers (Dzisi & Ofosu, 2014).

Generally, the visual, sound, and print media have been largely used by SMEs to communicate their products to potential customers (Dzisi & Ofosu, 2014; Cant & Wiid, 2016). These promotion means include the social media. The preference of SMEs to use social media in promoting their products is mainly influenced by the convenience and cost factors (Dzisi & Ofosu, 2014). Social media have been a preferred means for interacting with customers and the mechanism that makes SMEs receive their feedback instantly. For example, in the food sector particularly the restaurant business; SMEs strongly prefer the use of *WhatsApp* to other means and to a somewhat extent, *Facebook* and *Twitter* (Oji, Iwu, & Haydam, 2017). Given this scenario, SME owners/managers are likely to promote their business if they embark on adopting a technology that facilitates their interactions with potential and existing customers (Sathana, Velnampy, & Rajumesh, 2018). Research tells that establishing social and business interactions through social media, and eventually marketing the products through them, is a strategic decision that can drive SME growth (Oji, Iwu, & Haydam, 2017). Their promotion strategies have also adopted personal selling, sales promotion, and advertising especially through brochures (Lekhanya & Mason, 2013). However, SMEs should be aware of the fact that their markets have the tendency of perceiving heavily promoted products as of poor quality or sold at higher prices and eventually failing to attract potential customers who are quality sensitive and price sensitive respectively (Adewale, Adesola, & Oyewale, 2013).

The execution of marketing programs depends heavily on the SME's financial capabilities. On the contrary, lack of financial power influences poor development of marketing plans and programs, and both low involvement and weak market research (Izvercian, Miclea, & Potra, 2016). SMEs are still facing challenges in funding their marketing programs (Lekhanya & Mason, 2013). Most of the marketing programs in SMEs are generally informal (Izvercian, Miclea, & Potra, 2016). They also lack marketing knowledge and experience which are mainly attributed to by poor marketing training to their owners/managers and their employees. To a great extent, owners/managers are responsible for implementing marketing programs (Lekhanya & Mason, 2013). Given these circumstances, therefore, the major challenge facing SMEs is to devise and implement strategies that will manage the dynamics in markets and adjust their product development activities in order to influence the SME's sustainable growth (Tripathi &

Siddiqui, 2012). SMEs need capabilities to foresee the performance of their marketing strategies on business outcomes and address any weaknesses revealed. These capabilities are enhanced through frequent trainings provided to SME owners/managers and their employees (Ardjouman & Asma, 2015). Given this fact, SME owners/managers have the responsibility of developing mechanisms that will enable their SMEs adapt to the changes in the business environment and reflect these changes in their marketing strategies (van Scheers & Makhitha, 2016). These should be the innovative marketing strategies that enable them to translate their markets, carry out a competitor diagnosis, and enhance product development initiatives. These strategies should also enable SMEs integrate the market needs with the development and management of distribution networks, and the communication of products to potential and existing customers (Tripathi & Siddiqui, 2012). Ultimately, a great impact on brand awareness and financial performance will be realised (Dzisi & Ofosu, 2014). However, in order to enhance their marketing practices, SMEs need to create business relationships with experienced individuals and entities from the business, and the academic and research environment that will assist them to explore marketing opportunities, and challenges, and ultimately suggest the best practices in managing marketing programs in relation to the SMEs' operating environment, and their market characteristics (Izvercian, Miclea, & Potra, 2016). The established business networks will enable SMEs access useful information that will eventually be utilised in improving their products, processes, and business environment (Dzisi & Ofosu, 2014). In this regard, strategic marketing should be adopted by SMEs in order to influence their current and future positions in dynamic markets (van Scheers & Makhitha, 2016; Dzisi & Ofosu, 2014). Therefore, strategic marketing encompasses the analysis of the firm products, markets, operating environment, business processes and practices, business objectives and strategies, and the essential capabilities in foretelling the trends, and the execution of marketing programs in order to drive performance. Such performance is construed by the SME's commitment to retain its customers. SMEs attract and retain customers through effective marketing initiatives that provide customer value (van Scheers & Makhitha, 2016). Apart from the marketing practices, the knowledge management practices in SMEs translate into respective entrepreneurial strategies.

1.2.4 Knowledge Management Practices in SMEs

SME capabilities are developed and realised by the commitment of SMEs in the acquisition, sharing, and utilisation of knowledge from both internal and external environment (Azyabi, 2017). Growth can be achieved if SMEs strive to integrate their knowledge management initiatives and practices with their business operations and strategies (Handzic, 2004). The knowledge management practices in SMEs are to a great extent informal (Talebi, 2009). The operating environment of the firm plays a significant role in acquiring knowledge. The operating environment involves the practices, processes, and systems within the firm. Such

systems may include reward systems that contribute significantly in promoting knowledge management practices in SMEs. Through effective reward systems, SME employees are likely to increase their commitment in creating new knowledge and share with their fellow employees (Supyuenyong, Islam, & Kulkarni, 2007). In this regard, SMEs are likely to improve their knowledge management strategies if they enhance their rewards systems (Handzic, 2004). Literature confirms that the management style of the owners/managers strongly facilitates knowledge sharing in SMEs (Uzelac, Ćelić, Petrov, Drašković, & Berić, 2018). There are several factors that contribute significantly to the SME efforts in acquiring knowledge. These include the SME characteristics such as culture and structure. For example, the flat structure facilitates communication among the workforce. On the other hand, a culture that stimulates interactions between members of the SMEs enables them to share knowledge particularly the tacit knowledge. This is the culture that stimulates employees' sense of belongingness (Supyuenyong, Islam, & Kulkarni, 2007). Effective knowledge management systems, processes, practices, and strategies can be realised by the commitment of owners/managers in creating supportive organisation structures, and cultures (Talebi, 2009). Additionally, the SME's operating environment that allows employees to interact and share knowledge contributes significantly to the acquisition of knowledge in SMEs. Nevertheless, social events or gatherings allow employees to interact and develop relationships that are dwelt upon trust and teamwork spirit that ultimately stimulate knowledge sharing practices (Supyuenyong, Islam, & Kulkarni, 2007). These practices are likely to influence SME competitiveness.

The SME competitiveness can be driven by the commitment of owners/managers and their employees in transforming individual knowledge into organisational knowledge. The most underlying techniques are the integration of knowledge management processes with other business processes (Handzic, 2004). The SME performance can be achieved by the commitment of SME owners/managers who adopt and integrate a blend of modern knowledge management systems, practices, processes, and strategies in their daily business operations (Kalui & Mulinge, 2016). Knowledge management strategies will contribute significantly to the SME performance if SMEs employ their efforts in understanding customer needs and interests, develop relationships with customers, and engage extensively in effective cost management practices. Other efforts can also be employed in enhancing business processes and learning environment (Handzic, 2004). The learning environment should enable learning initiatives such as training. SMEs can acquire knowledge through trainings given to their employees whenever there is a great need of a particular skill that cannot be provided internally (Supyuenyong, Islam, & Kulkarni, 2007). Supporting employee trainings and creating favourable working conditions and supportive organisation culture should be the prime role of SME owners/managers if their

goal is to enhance knowledge management practices, and innovation initiatives in their organisations (Byukusenge & Munene, 2017).

The commitment of SME owners/managers in creating the working environment that promotes knowledge sharing among employees and its utilisation is a major strategy that enhances knowledge management initiatives and practices in SMEs. Such commitment is likely to reduce costs related to acquisition of knowledge from the external business environment (Supyuenyong, Islam, & Kulkarni, 2007). However, the employees' participation in sharing knowledge seems to be very little in SMEs (Uzelac, Ćelić, Petrov, Drašković, & Berić, 2018). This may be contributed to by the fact that in most of the developing economies, knowledge management is still a new business concept especially in SMEs that face challenges to link the contribution of the concepts in business performance particularly the sales improvement (Choochote, 2012; Choochote, 2013). Such a link can be established by SMEs that are capable of conducting research. This is because; knowledge creation is mainly driven by the SME capabilities in conducting research and managing information. Due to lack of resources, most SMEs fail to conduct scientific research (Supyuenyong, Islam, & Kulkarni, 2007). However, the strong emphasis in designing effective knowledge management strategies in SMEs should be the creation of knowledge management awareness among employees. The awareness on knowledge management seeks to enable SME owners/managers and their employees in understanding key knowledge management concepts characterising knowledge management (Handzic, 2004). SMEs need to acquire capabilities in understanding and executing knowledge management processes (Choochote, 2012; Choochote, 2013).

The integration of knowledge acquisition, sharing, and utilisation needs to be enhanced by an understanding of relevant initiatives that contribute significantly to influencing SME competitiveness (Handzic, 2004). The SME owners/managers have the responsibility of utilising their knowledge resources in improving their products, processes, and operating environment, and eventually increase their competitiveness (Byukusenge & Munene, 2017). Nevertheless, they need to make an assessment of their knowledge capabilities in influencing the attainment of business objectives, and outcomes (Handzic, 2004). The success of knowledge management initiatives in SMEs is heavily contributed to by the decisions of owners/managers. Their support is likely to influence the acquisition of needed resources, enhance the development and implementation of effective business strategies, and foster motivating working environment and supportive organisation culture. SMEs need relevant and improved information management systems and other related infrastructures, and the relevant skills acquired through training, practices, and knowledge sharing among members within the SMEs (Megdadi, Al-Sukkar, & Hammouri, 2012). Knowledge can also be shared between members of the SMEs and outsiders such as customers. Through learning and informal interactions between

SME members and customers, SMEs acquire knowledge from their customers. Their informal interactions allow them to understand customer needs and interests and thereafter such preferences are embedded in the improvement of products, processes, and operating environment (Supyuenyong, Islam, & Kulkarni, 2007). These improvements translate innovation capabilities of the firm. The influence of knowledge management on SME performance can be fuelled by innovation initiatives. This is due to the fact that the acquired knowledge should be shared and utilised in order to enhance products, processes, and operating environment and ultimately influence SME competitiveness. Nevertheless, knowledge management enhances innovations by acting as a major source of ideas (Byukusenge & Munene, 2017). Apart from the knowledge management practices, the networking practices in SMEs translate into respective entrepreneurial strategies.

1.2.5 Networking Practices in SMEs

SME networking is an emerging advancement in developing economies (Turyakira & Mbidde, 2015). A network is a social structure characterising relationships among individuals. Networking involves actions of the social structure (Antoldi, Cerrato, & Depperu, 2011). SME networks can also be established with close individuals such as family members, and friends. Through these social relationships, they are likely to access valuable business information. The same information can also be accessed through trade fairs and exhibitions, and workshops (Thrikawala, 2011). Frequent business interactions are one of the major drivers of successful networks. The motive behind these interactions is to find mechanisms that will enhance their networks and establish long term mutual benefits (Turyakira & Mbidde, 2015). The relationships among SMEs create sustainability of businesses, particularity when the partnering SMEs portray the right collaboration attitudes (Wincent, 2005b). Business networks are characterised by mutual trust, and the commitment in sharing firm resources and sincere business interests for the prosperity of the partnering SMEs (Turyakira & Mbidde, 2015). The firm resources define a firm's competitive advantage (Miller, Besser, & Malshe, 2007). The resource accessibility is mainly influenced by the competency of SME owners/managers in networking with customers, suppliers, agents, business partners, regulatory agencies, and both social and trade organisations (Tehseen, Qureshi, & Ramayah, 2018). However, the markets-as-networks approach has been a major driver in addressing most of the marketing challenges facing SMEs, and in enabling SMEs to access resources from other network actors (McGrath & O'Toole, 2011). This is because; there is a great link between marketing and networking. SMEs can use networks to manage their marketing programs (Carson, Gilmore, & Rocks, 2004). The responsibilities of SME marketing practitioners can be simplified by networks (McGrath & O'Toole, 2011). It can be concluded that the marketing initiatives are likely to enhance SME competiveness if they are intertwined with networking (Hakimpoor, Hashim, Khani, & Samani,

2012). Therefore, the interconnectedness between marketing and networking is a major driver of SME growth (Turyakira & Mbidde, 2015).

Effective business networks depend on the valuable characteristics of partnering SMEs. These characteristics can be translated in terms of SME size, and the conduct and personality of its owner/manager (Wincent, 2005b). The influence of owner's/manager's personality in establishing and maintaining business networks is significant. Ultimately, these networks fuel entrepreneurial spirit in SMEs (Wincent & Westerberg, 2005). An entrepreneurial spirit is characterised by the commitment of SMEs in sharing resources in their business networks. Nevertheless, in such networks, large entrepreneurial entities contribute more resources than SMEs (Wincent & Westerberg, 2006). The collaboration between SMEs and large entities enables SMEs to access business competency, and contacts (Wincent, 2005a). Entrepreneurial entities provide significant benefits to other enterprises in SME networks (Wincent & Westerberg, 2006). Entrepreneurial networks have a significant contribution on SME competitiveness. Their contribution is translated in terms of access to resources, and growth opportunities (Chimucheka, 2013). Through inter-firm relationships, SMEs access valuable resources and increase their competitiveness (Thrikawala, 2011). The excellence of social networks plays a significant role in influencing SME growth (Chimucheka, 2013). Through social networks, SMEs can acquire capital, and manage risks (Thrikawala, 2011). The sharing of resources among networking SMEs, enables them to influence their strategic positions (Miller, Besser, & Malshe, 2007). Networks enable SMEs access business contacts and eventually increase growth potential (Thrikawala, 2011).

The collaboration between SMEs and other entities including the large enterprises is likely to address resource challenges facing SMEs. It also enables SMEs to market their products. Nevertheless, this collaboration should seek to provide mutual benefits to all parties involved (Garbelli, 2016). However, the exchange of resources may be risky depending on type of resources shared. There is an exchange of resources that has low risk of opportunism such as referring a customer to other network partners, and others with greater risk of opportunism such as sharing business information pertaining to technology, business strategies, processes, and practices to network members (Miller, Besser, & Malshe, 2007). In order to address most of their challenges in acquiring resources, and subsequently attain competitiveness, SMEs need to create strategic connections with their customers, and suppliers (Škarpová & Grosová, 2015). However, effective governance mechanisms are required in managing networks by enhancing trust and mutual benefits among SMEs (Maina, Marwa, Waiguchu, & Riro, 2016b). Nevertheless, formal networks are time-consuming initiatives and they require extensive and relevant business experience (Thrikawala, 2011). They require network competence. The network competence is a major driver of SME performance (Tehseen, Qureshi, & Ramayah,

2018). The capability of SMEs in establishing, and utilising the business relationships with key stakeholders in enhancing their performance is referred to as network competence. Such competence plays a vital role in influencing innovation particularly the improved processes, and products. The network competence needs the support of effective human capital management in SMEs, availability of resources, improved information management systems, and a supportive organisational culture (Ritter & Gemünden, 2003). Apart from the role of networking practices, and other entrepreneurial practices in translating the respective entrepreneurial strategies, the study highlights the respective entrepreneurial practices in bakeries.

1.2.6 Entrepreneurial Practices in Bakeries

There is a significant growth in the bakery business in Tanzania (Bennett, Naziri, Mahende, & Towo, 2012). Women are the major producers and suppliers of bakery products in Tanzania (Maro & Barreiro-Hurlé, 2012). Most of these bakeries are micro, and small enterprises. The production and selling of bakery products is a famous and old business around the world. The process (baking) can take place in various baking appliances, using flour, and baking technology to produce breads, pastries, cakes, and biscuits/cookies (Lai & Lin, 2006). Other types of bakery products include pizzas, samosas, pies, scones, and doughnuts (Fellows & Axtell, 2004). However, the most famous bakery product is bread (Souki, Reis, & Moura, 2016). The bakery products produced and supplied in Tanzania include breads, scones, cakes, cookies, buns, doughnuts, chapatti, and biscuits (Bennett, Naziri, Mahende, & Towo, 2012; Chongela, Nandala, & Korabandi, 2014). The most consumed are breads, buns, chapatti and biscuits (Chongela, Nandala, & Korabandi, 2014).

Like any other business, producers and suppliers of bakery products take into consideration various internal and external environmental factors. For example, Fellows & Axtell (2004) suggest that the products produced should match the requirements, needs, and preferences of customers in terms of packaging, taste, ingredients, price, and size to mention a few. They also argue that bakeries need to carry out a competitor diagnosis, treat all stakeholders fairly, institute effective customer relationship management strategies, and possess a technical know-how, and necessary machinery in the production of bakery products. They also suggest that segmentation of bakery market is essential. Therefore, the bakery may decide to produce and sell bakery products based on gender, age, income, working environment, nutritional preferences, ceremonies, and geographical location such as rural, urban or semi-urban. That is why Fellows & Axtell (2004) further argue that bakeries need to enhance their customers to access the bakery products conveniently including timely product delivery. This will capture customers who like bakery products that are produced and sold at the respective bakeries (Souki, Reis, & Moura, 2016). That is why convenience, pleasure, and health determine the innovation in bakery products (Martínez-Monzó, García-Segovia, & Albors-Garrigos, 2013).

The health factor for example, can be in terms of whole grain bread vis-à-vis white bread (Souki, Reis, & Moura, 2016). On the other hand, the marketing practices that are honest are expected to capture the attention of potential bakery customers. For example, promotion of bakery products can be enhanced by the use of media such as radio and newspapers as well as signboards, leaflets and cards. Another important method is personal contacts (Fellows & Axtell, 2004). In order to get understanding of the entrepreneurial practices in bakeries, this study expounds the specific practices such as innovation, risk-taking, marketing, knowledge management, and networking practices in bakeries.

1.2.6.1 Innovation Practices in Bakeries

There has been a growing demand in bakery products (Haiböck-Sinner, Ebner, & Lettmayer, 2008). Bread is a famous bakery product. It can be produced in different forms and sizes depending on the respective culture (Melini & Melini, 2018). Wheat bread is a renowned bakery product with abundant nutrients (Giménez-Bastida, Piskuła, & Zieliński, 2015). Nevertheless, there is a growing need of probiotic breads (Soukoulis, Yonekura, Gan, Behboudi-Jobbehdar, Parmenter, & Fisk, 2014). Societies demand sustainable products (Haiböck-Sinner, Ebner, & Lettmayer, 2008). Sustainable products should be enhanced by innovation. Innovation takes place in food sector (Sarkar & Costa, 2008). Firms adopting innovation strategies are likely to attain positive productivity performance than firms that do not do so (Tavassoli & Karlsson, 2016). Food enterprises need to develop their technological and marketing capabilities (Sarkar & Costa, 2008). Advancement in technology forces firms to find ways on how to access knowledge (Martinez, Lazzarotti, Manzini, & García, 2014). Knowledge needs to be integrated into processes in order to pave way for improved quality, and reduction of costs (Ozor, Orji-Oko, & Olua, 2015). Advancement of technology should be linked with improved product innovation in marketplace (Sarkar & Costa, 2008). Without innovation, there is no prosperity in food sector (Barcellos, Aguiar, Ferreira, & Vieira, 2009). Effective innovation practices in food sector need to integrate the interests of various stakeholders such as customers, suppliers, and other internal and external players (Sarkar & Costa, 2008). For example, consumer demands dictate innovations in food enterprises. Quality and safety are the main improvements stemming from these innovations (Brody, Bugusu, Han, Sand, & Mchugh, 2008). Bakeries need to seek 'consumer approval' when developing their products (Behera & Srivastav, 2018). The trend tells that customer choices are based on nutrients, and health benefits (Giménez-Bastida, Piskuła, & Zieliński, 2015). The market needs multigrain bakery products (Behera & Srivastav, 2018). Customers need bakery products with cereals and plant seeds. In this regard, bakery products need to be enriched with natural raw materials particularly those rich in bioactive compounds (Behera & Srivastav, 2018). Innovations in bakeries should guarantee effective processes that can manage the production of products rich in bioactive compounds (Giménez-

Bastida, Piskuła, & Zieliński, 2015). This is because; customers are interested in tastier and nutritionally affluent bakery products (Behera & Srivastav, 2018) under an active packaging. Quality can be seen in packaging where safety standards such as microbial safety and shelf life are extended. Packaging enables the preservation of nutrition value and influences the reduction of food waste (Melini & Melini, 2018). Sustainable food packaging should play a key role in microbial safety and in managing flavours and aromas, oxidation, moisture, and respiration in order to drive competitive advantage (Brody, Bugusu, Han, Sand, & Mchugh, 2008). Competitive advantages are achieved through enhanced innovation processes. Bakeries need to adopt a participatory process in developing innovative products. In this process, key players such as suppliers, customers, employees, managers, and respective business partners should be involved (Haiböck-Sinner, Ebner, & Lettmayer, 2008). Apart from the innovation practices in bakeries, the risk-taking practices are also part of the entrepreneurial practices in bakeries.

1.2.6.2 Risk-taking Practices in Bakeries

Bakeries produce various products. They include breads, pastry, and specialty products (Chen, Yang, Bai, & Hung, 2006). However, bread is the major and most consumed bakery product worldwide (Galli, et al., 2015; Sum & Mahussin, 2017). The production and management of bakery products involve intense labour force (Rocha, Oliveira, Campos, Oliveira, & Saldanha, 2009). Effective and efficient production in bakeries is fuelled by technological advancement (Brodowska, Guzek, & Wierzbicka, 2014). For example, in developing countries, a technology that uses a mixture of wheat, plantain, and banana flours may become a source of micronutrients and increase competitiveness in bakery products (Adeniji, 2015). Nevertheless, nutritional products can be produced through modern biotechnological techniques whereby fruits, vegetables, and all related ingredients and biologically active compounds are instituted in the production process (Brodowska, Guzek, & Wierzbicka, 2014). However, what should be noted is, effective implementation of these techniques depends on the characteristics of the entrepreneur. The characteristics of a given entrepreneur greatly influence performance (Abood, Aboyasin, & Ajloni, 2014). In that regard, the entrepreneurial mindset needs to be adopted by owners/managers in order to effectively manage risks in their SMEs (Wambugu, Gichira, Wanjau, & Mung'atu, 2015). Risk-taking processes require the greater use of relevant knowledge (Zinn, 2017). However, it should be noted that risks associated with supply chain are more challenging than those associated with a manufactured food product (Septiani & Astuti, 2017). Nevertheless, bakeries can achieve competitiveness if they serve their customers through a medium of their preference and interest (Robinson, Fernandez, & Goode, 2007). Risks should be expected, and accepted (Zinn, 2017). In this regard, efficient supply chain is of paramount importance due to the respective products' characteristics such as high perishability existing in the food sector (Septiani & Astuti, 2017). Given that when practices conflict with expertise,

high risk-taking emerges (Zinn, 2017). Therefore, enterprise risk management should be adopted in business due to its systematic and constant approach in managing risks, integrating risks from various sources, and its ability to link risk and profitability (Simona-Iulia, 2014). Apart from the risk-taking practices in bakeries, the marketing practices are also part of the entrepreneurial practices in bakeries.

1.2.6.3 Marketing Practices in Bakeries

Competitiveness is achieved when marketing mix in bakeries correlates with customer perception (Sengupta & Chattopadhyay, 2006). Therefore, bakeries need capabilities to forecast and appropriately meet the demands of their customers (Vaikunthavasan, 2016). They need to interpret the effectiveness of marketing strategies using marketing mix and customer perceptions (Sengupta & Chattopadhyay, 2006). Given this context, bakeries should design effective marketing strategies that are reflected in industrial analysis (Renko, Sustic, & Butigan, 2011). However, evaluation of the effectiveness of marketing practices needs to be carried out by bakeries in order to realise competitiveness (Sengupta & Chattopadhyay, 2006). This is because, important resources are exploited by the firm's capabilities in employing effective marketing strategies (Ramli, 2017). However, mechanisms geared towards evaluating the effectiveness of marketing strategies in bakeries should be simple and easy to execute (Sengupta & Chattopadhyay, 2006). Effective strategies are the result of sound marketing research. Bakeries need to carry out research to understand customers' preferences and their changing attitudes (Wu, Lu, Tan, Yang, & Cheng, 2016). However, bakeries rarely conduct scientific research pertaining to customer interests and branding (Renko, Sustic, & Butigan, 2011). Additionally, unlike large entities, marketing practices in small bakeries tend to be informal, and with poor planning (Sengupta & Chattopadhyay, 2006). Apart from the marketing practices in bakeries, the knowledge management practices are also part of the entrepreneurial practices in bakeries.

1.2.6.4 Knowledge Management Practices in Bakeries

SMEs are faced by challenges in defining their markets, and developing both innovative capabilities, and business strategies (Kathan, Matzler, Füller, Hautz, & Hutter, 2014). SME owners/managers need capabilities in developing business strategies that serve the interests of customers and influence SME competitiveness (Karnreungsiri & Praditsuwan, 2017). Given this fact, absorptive capacity is one of the significant capabilities that enable the firm to acquire knowledge and ultimately influence firm's growth (Abdelshafy, 2017). SME competitiveness is translated by its capabilities to make logical analysis, risk-taking, creativity, and readiness to generate new knowledge (Karnreungsiri & Praditsuwan, 2017). These capabilities are also translated into the employees' skills. Employees who willingly develop working practices at workplace play a vital role in generating knowledge (Ferenčíková & Hrdličková, 2017). In this

regard, competitiveness in bakeries can be achieved easily and in a shorter time. There is also some evidence telling that bakeries break even within a shorter time of their operations (Rambo, 2013).

One of the major sources of knowledge generation is the external business environment (Ferenčíková & Hrdličková, 2017). From the external environment, bakeries are likely to access information on industry trends and markets. Therefore, SMEs need to align with the market in order to compete effectively. This strategy can be facilitated by the SME's ability to interpret necessary information (Donnelly, Simmons, Armstrong, & Fearne, 2012). For example, interpretation of necessary information such as customer's changing needs including the growing interest in nutritional products should be interpreted in relation to industry characteristics and bakeries' production capabilities. Their capabilities will then be reflected in the bakeries' willingness to adopt product development strategies that seek to improve styles and tastes (Karnreungsiri & Praditsuwan, 2017). Generally, innovations in bakeries seek to address pleasure, convenience, and health concerns of the customers. For example, health concerns of the customers especially overweight and diabetes force bakeries to develop products with lower lipid and sugar. However, there is still a growing challenge faced by bakeries in developing products that meet consumers' preferences such as the demand of healthy products (Martínez-Monzó, García-Segovia, & Albors-Garrigos, 2013). Bakeries need to invest more in acquiring skills necessary in creating innovative environment. This is because; the level of knowledge stock in a firm influences more knowledge acquisition (Abdelshafy, 2017). Nevertheless, firms need to concentrate on areas they do better and stay away from areas they poorly perform (Stock & Mohan, 2000). Apart from the knowledge management practices in bakeries, the networking practices are also part of the entrepreneurial practices in bakeries.

1.2.6.5 Networking Practices in Bakeries

The influence of social networking on SME performance is apparent (Surin, Wahab, Halil, & Edward, 2014). Managers are responsible for translating their SMEs' competitive advantages. Managers need to develop capabilities in establishing strong relationships with key SME stakeholders such as the customers in order to understand their interests and preferences (Brinkmann, et al., 2014). In order to attain both growth and competitive advantages, SMEs need to forge strong, trust-based, and sustainable relationships with their customers (Jamieson, Fettiplace, York, Lambourne, Braidford, & Stone, 2012). Networking with customers helps the business to receive useful feedback that improves performance (Mayer, Harima, & Freiling, 2015). Through social networking, SMEs may drive and manage customer loyalty for their competitiveness (Öztamur & Karakadılar, 2014). Through strong relationships, bakeries get an opportunity to access resources, and marketing opportunities (Dyck & Russell, 2015). The SMEs' capabilities to establish strong relationships with customers are influenced by their

networks (Brinkmann, et al., 2014). The increased network ties influence performance. The size of the network influences the firm's cost management strategies especially the adoption of a cost strategy (Hu & Hafsi, 2015). In this regard, employees should be champions in managing relationships with customers. Therefore, SMEs need to embark on designing and implementing techniques that encourage the establishment of strong social relationships among their employees (Agyapong, Agyapong, & Poku, 2017). SME owners/managers need to involve their staff in marketing activities particularly in the planning process in order to realise competitiveness (Donnelly, Simmons, Armstrong, & Fearne, 2015).

1.2.7 Entrepreneurial Strategies in Tanzania's SMEs

The categories of enterprises in Tanzania are provided for in the Small and Medium Enterprise Development Policy of 2003. Based on the policy, business entities with less than 5 employees, and a capital of less than Tanzanian Shillings (TZS) 5 million are regarded as micro enterprises. Small enterprises are those employing 5 to 49 and have a capital range of Tanzania Shillings (TZS) 5 million to 200 million. On the other hand, the medium enterprises employ between 50 to 99, and have a capital of at least TZS 200 million but not exceeding TZS 800 million(URT, 2003). Based on the Tanzanian context, and the almost common challenges faced by SMEs, this study focuses on small and medium-sized enterprises. It has been noted that similar challenges that were observed two decades ago still face the Tanzanian SMEs. As it has been observed, most of the Tanzanian SMEs seem to lack the knowledge on the characteristics and dynamics of the external environment (Mahemba & Bruijn, 2003). They still lack the capabilities in making large scale production that would meet the needs of a great number of customers. To a great extent, these capabilities are translated in terms of financial power. Moreover, Tanzanian SMEs are still facing challenges to access finance from financial institutions. They also face difficulties in carrying out effective analysis on customer needs. They also lack competencies in networking with potential business players. This has, to a great extent, been attributed to by their low knowledge on entrepreneurship (Kazimoto, 2014). In order to meet customer needs and preferences, some of the SMEs in Tanzania have for years, been engaging themselves in product development innovations that accommodate the suggestions and ideas of both employees and customers. The information provided by employees and customers has for years been facilitating the diffusion of innovation within the Tanzanian SMEs. The frequent interactions between SMEs and both the internal and external innovation players have been the major source of accessing innovation solutions for technical problems affecting SMEs. For years, these interactions have enabled Tanzanian SMEs to acquire innovation skills, competency, and capabilities, and services that are needed in facilitating innovation practices. The awareness on sources of innovation has for years, been regarded as a contributing factor in enabling Tanzanian SMEs achieve their innovation objectives and targets (Mahemba & Bruijn,

2003). In order to address the common challenges facing Tanzanian SMEs, it has been suggested that SMEs should strive to create mechanisms that will enable them acquire useful business information. They need to create strategic partnerships with business players in the innovation system and network with potential financial institutions in order to access finance. Their marketing initiatives should also be enhanced to reflect the market requirements and be able to meet the interests of the customers. Nevertheless, all these initiatives can be supported by frequent trainings, seminars, and workshops provided to the SME owners/managers and their employees (Kazimoto, 2014). It is confirmed that Tanzanian SMEs that extensively engage themselves in designing and managing innovation initiatives, process, and practices, are in better position of improving their growth and sustainability (Ndesaulwa & Kikula, 2016). The innovation capabilities are essential in facilitating innovation operations within the Tanzanian SMEs'operation zones. In addition, collaborations can also accelerate diffusion of innovations within the Tanzanian SMEs. For example, collaborations among SMEs on technological innovations would generally consider cost sharing, capabilities in managing complexities in technology as well as effective learning process (Mahemba & Bruijn, 2003). These collaborations can also involve the academic and research community. The role of academic and research institutions in training SME owners/managers and their employees for exploring business opportunities and managing business challenges is apparent (Kazimoto, 2014). Apart from their commitment to forging strategic partnerships, their commitment can also be translated into their extensive engagement in funding innovation activities particularly the development and adoption of technologies. Therefore, the Tanzanian SMEs need to treat the funding of their innovation initiatives and practices as a strategic investment that will bring favourable outcomes. However, their funding decisions should be drawn from the investment analysis that has examined the viability of the investment and its influence on increased production output and quality as well as effective utilisation of resources (Ndesaulwa & Kikula, 2016).

Most of the Tanzanian SMEs are still facing financial challenges particularly those regarding access to considerable amount of loans thus leading to their inability to serve the interests of customers in a wider market (Kazimoto, 2014). It has been learnt that most of the financial institutions in Tanzania are reluctant to provide loans to new ventures, and risky businesses. Also, lack of collaterals barricades most of the Tanzanian SMEs from accessing loans. They are also incapable of ascertaining the right business choice whose plans would be used to access loans from the financial institutions (Richard & Mori, 2012). They also have poor knowledge of consumer preferences and interests, and are to a great extent, entrepreneurially incompetent. Moreover, most of their networks are unstable (Kazimoto, 2014). Most of the Tanzanian SMEs are still facing difficulties in managing information and keeping business records (Richard &

Mori, 2012). SMEs need to enhance their capabilities in acquiring useful business information in order to address most of the challenges facing their growth (Kazimoto, 2014). In order to influence positive performance, the SME workforce should be given autonomy in managing business operations (Kapaya, Shayo, Jaensson, & Stanslaus, 2018). For example, some of the financial institutions in Tanzania such as banks have been engaged in training SME owners/managers and their employees in order to improve their business and entrepreneurial skills (Richard & Mori, 2012).

Tanzanian SMEs are still facing challenges related to poor entrepreneurship training, lack of entrepreneurial culture, and inadequate financial resources that barricade their growth and sustainability (Mashenene & Rumanyika, 2014). The lack of adequate financial resources leads to the lack of appropriate technology. For example, lack of appropriate technology and business skills has led to poor engagement of SMEs in designing and implementing effective e-marketing programs (Kazungu, Panga, & Mchopa, 2015) although there has been a growing trend of adopting e-marketing among Tanzanian SMEs (Michael, 2014). E-marketing is an essential tool in driving SME performance and changes in business (Bakari, Jongur, & Kanire, 2014; Kazungu, Panga, & Mchopa, 2015). These changes are reflected in effective means of collecting, analysing, sharing, and utilising business information for improving business practices and satisfying customer needs. Through e-marketing, costs related to data management are lowered. However, Tanzanian SMEs are still facing challenges in integrating e-marketing practices with business objectives, goals, processes, and operations. The major driver of such challenges has been the lack of information management capabilities and resources (Bakari, Jongur, & Kanire, 2014). In this regard, Tanzanian SMEs need collaboration with key business stakeholders in the exchange of useful business information in order to enhance their business operations (Hamisi, 2011). Additionally, they need proper business knowledge and skills that can promote their entrepreneurial competency and ultimately address challenges facing their competitiveness (Mashenene & Rumanyika, 2014).

The creation of business relationships with both internal and external business players is a key driver in acquiring knowledge. Tanzanian SMEs are also expected to share knowledge in order for them to acquire new knowledge from various knowledge actors such as members of the supply chain. However, most of the Tanzanian SMEs do not share knowledge with other business stakeholders in the supply chain except the information on inventory management. On the contrary, large firms are committed and are willing to share knowledge particularly those related to capacity building. It has been revealed that most of the Tanzanian SMEs are not willing to share information that would eventually be acquired by their major competitors and therefore pose potential risks to their business interests and goals (Katunzi & Zheng, 2010). However, these risks can be addressed if SMEs adopt effective risk planning processes.

Planning initiatives play a vital role in enhancing risk management. Strategic plans for example, would enable SMEs improve their decision making processes and eventually propel their sustainability. Conversely, most of the Tanzanian SMEs have poor engagement in planning. Their low engagement in planning is mainly attributed to by lack of required competency in managing the planning process. They lack capabilities in formulating business objectives and strategies that would be linked with business operations in order to stimulate SME growth. On the other hand, a few SMEs that outsource planning activities face challenges in establishing the contribution of effective planning on business performance. They also face challenges in effectively executing the developed strategic plans (Mori, Kazungu, & Mchopa, 2014).

Relational skills are the major drivers of networks (Bengesi & Le Roux, 2014). Research tells that networking strongly influences productivity among Tanzanian SMEs (Nyangarika, 2016). The mutual networking benefits can be fuelled by the commitment of network members in sharing resources and information (Bengesi & Le Roux, 2014). Through networking, Tanzanian SMEs access markets and ultimately enhance efficiency in marketing implementation through reduced transaction costs (Nyangarika, 2016). The knowledge and skills in managing relationships play a vital role in enhancing trust, and addressing disputes among networking SMEs in Tanzania. The sharing of resources and valuable business information, experience, and practices among Tanzanian SMEs provide them with opportunity to learn and acquire business capabilities among their employees and eventually drive their sustainability (Bengesi & Le Roux, 2014).

1.3 Research Problem

Tanzanian SMEs have been facing many challenges such as poor access to finance and markets, lack of suitable marketing, entrepreneurship, and management skills, as well as inappropriate cost, demand, and inventory management skills to mention a few (URT, 2012; Kazimoto, 2014). SMEs' right actions and effective business models would address these challenges and propel performance. Integrating strategies would help SMEs to foster competitive advantage. This is because; a competitive advantage can be achieved when SMEs develop capabilities that will help them to compete (Hitt, Ireland, & Hoskisson, 2007). These capabilities can be translated into right business models adopted by SMEs. However, predicting business models that will bring positive results is a challenging task for SMEs. They cannot easily predict which strategies will work (Gans, Stern, & Wu, 2016). Tanzanian SMEs face this challenge as well. This is mainly caused by their low level of core competencies (Salim, 2015) particularly in understanding and applying effective strategies that would foster their performance. That is why, a study that seeks to develop a framework for entrepreneurial strategies and SME performance is of paramount importance in enabling Tanzanian SMEs to understand, develop, and apply strategies that work and influence their performance. Since a single strategy cannot

influence a multidimensional SME performance, the business model that can influence positive performance should be a combination of various entrepreneurial strategies. These are: innovation (Olughor, 2015; Zwingina & Opusunju, 2017; van Auken, Madrid-Guijarro, & García-Pérez-de-Lema, 2008; Rosli & Sidek, 2013; Mbizi, Hove, Thondhlana, & Kakava, 2013), risk-taking (Wambugu, Gichira, Wanjau, & Mung'atu, 2015; Naldi, Nordqvist, Sjöberg, & Wiklund, 2007), marketing (Dzisi & Ofosu, 2014; Adewale, Adesola, & Oyewale, 2013; Ebitu, 2016; Nthenge, 2016; Kuwu & Gakure, 2014), knowledge management (Byukusenge, Munene, & Orobia, 2016; Daud & Yusoff, 2010; Jabeen, Shehu, Mahmood, & Mata, 2014; Ngah & Ibrahim, 2010; Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016), and networking (Maina, Marwa, Waiguchu, & Riro, 2016b; Chimucheka, 2013; Širec & Bradač, 2009). This study sought to develop a framework for entrepreneurial strategies and SME performance based on the operations and practices of small and medium-sized bakeries in Tanzania where the demand of bakery products is growing significantly (Bennett, Naziri, Mahende, & Towo, 2012; Maro & Barreiro-Hurlé, 2012).

1.4 General Objective

Generally, the study aimed to develop a framework that depicts the contribution of entrepreneurial strategies on SME performance in Tanzania-based bakeries.

1.5 Specific Objectives

Specifically, the study aimed to achieve the following:

1. To determine the contribution of innovation strategies on the performance of SME bakeries in Tanzania.
2. To determine the contribution of risk-taking strategies on the performance of SME bakeries in Tanzania.
3. To determine the contribution of marketing strategies on the performance of SME bakeries in Tanzania.
4. To determine the contribution of knowledge management strategies on the performance of SME bakeries in Tanzania.
5. To determine the contribution of networking strategies on the performance of SME bakeries in Tanzania.

1.6 Research Questions

The study aims to answer the following;

1. What contribution do enhanced innovation process, customer-focused innovation, and enhanced innovation environment have on output, and sales levels of SME bakeries in Tanzania?

2. What contribution do risk planning, controlling, and strategic initiatives have on cost, and output levels of SME bakeries in Tanzania?
3. What contribution do product, pricing, distribution, and promotion have on number of customers, and sales level of SME bakeries in Tanzania?
4. What contribution do knowledge creation, knowledge sharing, and knowledge utilisation have on cost, and output levels of SME bakeries in Tanzania?
5. What contribution do network formation, intensity, and interdependence have on number of customers, and sales level of SME bakeries in Tanzania?

1.7 Study Hypotheses

Based on the research question:

What contribution do enhanced innovation process, customer-focused innovation, and enhanced innovation environment have on output, and sales levels of SME bakeries in Tanzania?

The study hypothesises that:

H1a. The human resource competency moderates the relationship between enhanced innovation process and output level.

H1b. The firm's size moderates the relationship between enhanced innovation process and sales level.

H1c. The human resource competency moderates the relationship between customer-focused innovation and output level.

H1d. The firm's size moderates the relationship between customer-focused innovation and sales level.

H1e. The human resource competency moderates the relationship between enhanced innovation environment and output level.

H1f. The firm's size moderates the relationship between enhanced innovation environment and sales level.

Based on the research question:

What contribution do risk planning, controlling, and strategic initiatives have on cost, and output levels of SME bakeries in Tanzania?

The study hypothesises that:

H2a. The firm's age moderates the relationship between risk planning and cost level.

H2b. The owner's/manager's gender moderates the relationship between risk planning and output level.

H2c. The firm's age moderates the relationship between risk controlling and cost level.

H2d. The owner's/manager's gender moderates the relationship between risk controlling and output level.

H2e. The firm's age moderates the relationship between strategic risk initiatives and cost level.

H2f. The owner's/manager's gender moderates the relationship between strategic risk initiatives and output level.

Based on the research question:

What contribution do product, pricing, distribution, and promotion have on number of customers, and sales level of SME bakeries in Tanzania?

The study hypothesises that:

H3a. The human resource competency moderates the relationship between product strategies and number of customers.

H3b. The owner's/manager's business experience moderates the relationship between product strategies and sales level.

H3c. The human resource competency moderates the relationship between pricing strategies and number of customers.

H3d. The owner's/manager's business experience moderates the relationship between pricing strategies and sales level.

H3e. The human resource competency moderates the relationship between distribution strategies and number of customers.

H3f. The owner's/manager's business experience moderates the relationship between distribution strategies and sales level.

H3g. The human resource competency moderates the relationship between promotion strategies and number of customers.

H3h. The owner's/manager's business experience moderates the relationship between promotion strategies and sales level.

Based on the research question:

What contribution do knowledge creation, knowledge sharing, and knowledge utilisation have on cost, and output levels of SME bakeries in Tanzania?

The study hypothesises that:

H4a. The owner's/manager's education moderates the relationship between knowledge creation and cost level.

H4b. The owner's/manager's business experience moderates the relationship between knowledge creation and output level.

H4c. The owner's/manager's education moderates the relationship between knowledge sharing and cost level.

H4d. The owner's/manager's business experience moderates the relationship between knowledge sharing and output level.

H4e. The owner's/manager's education moderates the relationship between knowledge utilisation and cost level.

H4f. The owner's/manager's business experience moderates the relationship between knowledge utilisation and output level.

Based on the research question:

What contribution do network formation, intensity, and interdependence have on number of customers, and sales level of SME bakeries in Tanzania?

The study hypothesises that:

H5a. The firm's size moderates the relationship between network formation and number of customers.

H5b. The firm's age moderates the relationship between network formation and sales level.

H5c. The firm's size moderates the relationship between network intensity and number of customers.

H5d. The firm's age moderates the relationship between network intensity and sales level.

H5e. The firm's size moderates the relationship between interdependence and number of customers.

H5f. The firm's age moderates the relationship between interdependence and sales level.

1.8 Significance of the Study

Understanding the effective entrepreneurial strategies that enable SMEs to compete fosters core competences needed to address various challenges facing Tanzanian SMEs particularly those in the food sector such as bakeries. Although the sector is one of the major job creators in Tanzania, there is no research that links entrepreneurial strategies and SME performance in Tanzania. Therefore, the anticipated framework will not only help academicians, researchers and students to understand and advance studies on the contribution of entrepreneurial strategies on SME performance, but also apply them in developing theories and models that address SME challenges across sectors in the developing economies such as Tanzania. The study will also inform business practitioners, SME owners/managers, and entrepreneurs about the approaches needed to compete and drive their growth and sustainability. The study can also pave way for policy-making authorities such as the governments, to plan for the solutions that are geared towards reducing or eliminating hindrances to the performance of SMEs.

1.9 Justification of the Study

SMEs are the engine of both developed and developing countries' socio-economic development. They are the sources of GDP growth, and employment. For example, the

Tanzanian food sector is one of the leading creators of jobs in new enterprises (URT & UNIDO, 2012). This sector heavily depends on agriculture whose contribution to Tanzania's economic development is undisputable (Chongela, 2015). Therefore, developing a framework that enlightens the strategies needed by SME bakeries to compete will not only benefit SME bakeries and other enterprises in the same food sector, but other economic activities such as agriculture will be positively affected as well. Ultimately, the impact will be realised in the national economy.

1.10 Chapter Summary

This chapter has explained about the genesis of the link between entrepreneurial strategies and SME performance. In this section, an attempt to establish the interconnectedness between entrepreneurial actions with strategic actions has been made. This interconnectedness originates from both entrepreneurship and strategic management concepts in which entrepreneurial strategies and firm performance are intertwined. The study has focused on SMEs because of their usefulness in driving the social economic development of both developed and developing economies. Additionally, the chapter has highlighted the challenges faced by SMEs and justifies that an established framework of entrepreneurial strategies and SME performance can be adopted by SMEs to advance their growth and eventually increase their capabilities to address most of these challenges. Tanzania, as one of the developing countries whose economy is contributed significantly by SMEs, is the focus of this study. In this regard, small and medium-sized bakeries have been singled out to be studied. Bakery business has a direct impact to various sectors particularly the food industry whose contribution to job creation is apparent. The food industry has been contributing significantly to the development of agriculture sector which is the backbone of Tanzania's economy. In this chapter, entrepreneurial strategies have been classified. They have also been expounded based on the entrepreneurial practices in SMEs, and specifically in bakeries. The SME's performance has been categorised as: cost level, output level, number of customers, and sales level; and thereafter, its link with entrepreneurial strategies has been hypothesised accordingly.

CHAPTER TWO

THEORETICAL DEVELOPMENT

2.1 Introduction

In this chapter, the theoretical development is based on the theories and models aimed at enlightening entrepreneurial strategies. In this regard, the theories and models, and their relevance to SMEs are explained in the subsequent parts. The componential theory of creativity and the diffusion of innovation theory are introduced in this chapter as the basis of understanding innovation strategies. These strategies should be relevant to SME practices and operations. This is why the chapter explains about creativity in SMEs, and diffusion of innovation in SMEs. On the other hand, both the enterprise risk management, and the transaction cost theory are introduced in this chapter as the basis of understanding risk-taking strategies. In order to have risk-taking strategies that are relevant to SME practices and operations, the chapter introduces two sections: enterprise risk management in SMEs, and the transaction cost economics in SMEs. The marketing mix theory and the resource-based view perspective have all been introduced in this chapter as the basis of understanding marketing strategies. Again, in order to link these strategies with SME practices and operations, the chapter introduces two sections: marketing mix in SMEs, and the resource-based view perspective in SMEs. The chapter also introduces both organisational knowledge creation theory, and the knowledge-based view as the basis of understanding knowledge management strategies. These strategies need to be relevant to SME practices and operations. Therefore, the two sections: organisational knowledge creation theory in SMEs and the knowledge-based view in SMEs are highlighted. On the other hand, the chapter introduces both the interdependence theory, and the social network theory as the basis of understanding networking strategies. Again, in order to create the relevance of the networking strategies to SME practices and operations, the two sections: interdependence in SMEs, and networking in SMEs are added in this chapter.

2.2 Componential Theory of Creativity

Creativity involves the generation of novel and appropriate ideas (Amabile, 1988) that have significance to every aspect of development including business (Amabile, 1997). It is the blend of idea generation and idea validation. Idea generation occurs within a person. Once an idea is subjected to external environment, its processing can take place (Burbiel, 2009). Creativity is the first step in innovation (Amabile, 1997). Innovation process depends heavily on creativity. Without creativity, innovation process cannot commence (Burbiel, 2009). Innovation is an effective implementation of ideas (Amabile, 1997). An innovative firm is the one that implements ideas successfully. These ideas can be related to the products, procedures, and

policies (Amabile, 1988). Innovation and organisational performance are inseparable. Therefore, without innovation, businesses cannot survive (Amabile, 1997). The availability of adequate resources, and the conducive work environment influence organisational creativity (ElMelegy, Mohiuddin, Boronico, & Maasher, 2016; Dimaunahan & Amora, 2016). Creativity should be supported by long-term processes. These processes are mainly devised by the help of componential theories (Burbiel, 2009).

Since it was introduced in 1983, the componential model of creativity has developed significantly. The theory explains about the social influences on creativity. It began by suggesting that creativity is based on three components that are "domain-relevant skills, creativity relevant skills, and task motivation" (Amabile, 1983, p. 362). Task motivation can influence "the learning of domain-relevant skills as well as set-breaking for creativity-relevant skills" (Williams, 2013, p. 80). The theory further asserted that the process of creativity is in the following sequence: "problem or task representation, preparation, response generation, response validation, and outcome evaluation" (Amabile, 1983, p. 367). This process interacts with the three components of the theory (Kuo, 2011). For example, there is a relationship between task motivation and both problem or task representation, and response generation (Williams, 2013). The evolution of the theory has come up with the componential theory of individual creativity that presents an assumption that every normal human being can reasonably create something in a particular field. The theory still points out that the social environment is vital for fostering intensity of creativity. The theory dwells on the individual (or small group) creativity. According to the theory, there are three main parts of creativity. These are expertise, creative-thinking skill, and intrinsic task motivation (Amabile, 1997). They drive the level of creativity. Expertise comprises the capacity to have accurate knowledge, technical know-how, and unusual ability in solving problems, and suggesting solutions in a particular field. Creative thinking can be defined as the ability to explore new strategies of perceiving and solving problems mostly backed by perseverance, tolerance, and risk-taking. Creative thinking is mainly contributed to by knowledge and practice (Amabile, 1997). The third component suggests that creativity can be revealed by someone who is intrinsically stimulated to carry out a particular task (Amabile, 1996). Therefore, intrinsic motivation drives creativity by influencing individuals to execute creative activities (Zhang & Gheibi, 2015). Intrinsic motivation is the motivation that happens when people carry out appealing and personally challenging tasks. It is also linked to financial success (Amabile, 1997). The study argues that creativity is part of innovation and can be linked to the firm's success particularly SME performance.

2.2.1 Creativity in SMEs

Creativity is a key aspect of innovation among SMEs (Poon, Mohamad, & Yusoff, 2018). Innovation activities among SMEs cannot become visible unless employees are motivated to

embrace creativity. This is because; the design capability of an SME is influenced by both technical knowledge, and creativity of workforce (Klimczuk-Kochańska, 2017). These employees integrate their knowledge with opportunities in order to develop innovative products that in turn, guarantee SME survival (Poon, Mohamad, & Yusoff, 2018). In this regard, creativity and innovation among SMEs are inseparable. That is why SMEs have been realising the impact of creativity on their entrepreneurial activities. These entrepreneurial activities take place at all levels of an SME (Opusunju & Nwaiwu, 2017) including younger SMEs that attain higher sales when offering innovative products (Andries & Czarnitzki, 2014). These innovative products are designed in relation to market trends, and consumer expectations. Most of the SMEs in food industry for example, are attuned to these trends and expectations that become their base when integrating their strategies and innovations (Klimczuk-Kochańska, 2017).

Creativity is driven by numerous factors. They include availability of resources, and effective policies (Klijn & Tomic, 2010). Evidences suggest that an employee's capacity to effectively utilise organisational resources influences creativity among SMEs. They need to effectively empower their employees to utilise these resources and exploit various business opportunities. They can achieve this by encouraging and nurturing their workforce through training (Poon, Mohamad, & Yusoff, 2018). Employee trainings are necessary for enhancing creativity, and innovation (Doran & Ryan, 2017). Through training, employees get an opportunity to integrate the existing understanding and new knowledge. Training among SMEs is also crucial in acquiring creativity-relevant skills that foster creative solutions (Ismail, Abdelrahman, & Majid, 2018), and is a major source of knowledge sharing especially when done through job rotation and work teams. For example, the impact of work teams can be seen on processes, products and other business functions such as marketing. However, the impact of creativity initiatives depends on the form of a considered innovation (Doran & Ryan, 2017). On the other hand, creativity can be enhanced among SMEs through brainstorming (Klijn & Tomic, 2010). This is a useful way of increasing SMEs' innovation outputs. These outputs can be in terms of product and marketing innovations (Doran & Ryan, 2017). Brainstorming is also an avenue for employees to share knowledge, discuss problems, and create possible solutions. Brainstorming can take place in terms of free chatting, and formal forums used by employees to discuss innovation opportunities and challenges, and suggest possible business solutions (Klijn & Tomic, 2010). Creative solutions are obtained when employees within SMEs share and discuss their ideas. For example, SMEs that utilise these ideas do better in both process and product innovations particularly when they are generated by production employees and ultimately influence higher new product sales (Andries & Czarnitzki, 2014). However, in order to attain these goals, SME owners/managers' involvement and support is of paramount importance. The role of SME owners/managers in enhancing creativity particularly in the contemporary

competitive business environment matters tremendously. These are expected to generate ideas to overcome both strategic and operational situations (Poon, Mohamad, & Yusoff, 2018) and increase sales (Andries & Czarnitzki, 2014). Through their SMEs' flexibility, owners/managers need to exploit resources and explore opportunities and develop innovative techniques, and products geared towards creating competitiveness of their SMEs (Poon, Mohamad, & Yusoff, 2018).

The working environment has a significant impact on creativity and innovation activities. As mentioned earlier, reward and recognition schemes, training, and the creation of platforms to freely share knowledge and discuss ideas characterise effective working environment among SMEs and subsequently yield substantial innovation output (Doran & Ryan, 2017). Nevertheless, favourable relationships among employees and between owners/managers and their employees create effective working environment (Klijn & Tomic, 2010) that ultimately impacts employees' motivation and creativity. Supportive climate is necessary for fostering individual's commitment (Dechamp & Szostak, 2016). That is, expertise, novelty, and interest to carry out challenging tasks among employees (Dimaunahan & Amora, 2016), and tolerance to mistakes (Dennett, 2014). This is in turn creates organisational creativity (Dimaunahan & Amora, 2016) that transforms ideas into tangible projects especially through resource allocation (Dechamp & Szostak, 2016). Apart from the componential theory of creativity, the diffusion of innovation theory is also used to get insights about the entrepreneurial strategies (innovation).

2.3 Diffusion of Innovation Theory

The theory provides details about the mechanisms and rate at which new ideas, practices and technology spread into a social system (Rogers, 2003; Al-Jabri & Sohail, 2012). The rate of adoption is defined as "the relative speed with which an innovation is adopted by members of a social system" (Rogers, 2003, p. 221). Therefore, diffusion comprises of the communication, acceptance, adoption, implementation, and institutionalisation of innovation within a social system (Rogers, 2003; Koçak, Kaya, & Erol, 2013; Murray, 2009). An innovation is "an idea, practice, or object that is perceived as new by an individual or other unit of adoption" (Rogers, 2003, p. 12). According to Al-Zoubi (2013), diffusion is made possible when there is an accumulation of technology and knowledge transfer within an organisation. The theory confirms that adoption of new technologies is associated with "five attributes of innovations: relative advantage, compatibility, complexity, trialability, and observability" (Rogers, 1995, p. 208). The relative advantage "is the degree to which an innovation is perceived as being better than the idea it supersedes" (Rogers, 1995, p. 212; Rogers, 2003, p. 229). The social prestige and economic prosperity mainly define the degree of relative advantage. In this regard, increased relative advantage is likely to influence users in adopting a particular innovation (Rogers, 1995; Perkins, 2007; Lee, Hsieh, & Hsu, 2011). Compatibility "is the degree to which

an innovation is perceived as consistent with the existing values, past experiences, and needs of potential adopters" (Rogers, 1995, p. 224; Rogers, 2003, p. 15). According to Rogers (1995, p. 224), a more compatible idea is "less uncertain to the potential adopter, and fits more closely with the individual's life situation". Another attribute in the theory is complexity. This is defined as "the degree to which an innovation is perceived as relatively difficult to understand and use" (Rogers, 1995, p. 242; Rogers, 2003, p. 15). In this regard, adopters are likely to adopt innovations that can easily be interpreted and applied (Rogers, 1995). The theory regards trialability as an important attribute of innovation. This is defined as "the degree to which an innovation may be experimented with on a limited basis" (Rogers, 1995, p. 243; Rogers, 2003, p. 16). The intention of trialability is to dismiss uncertainty about a new innovation. In this regard, information regarding an innovation should be clearly understood by the managers in order to address confusions, and avoid any severe consequences (Perkins, 2007). Also, the theory tells about observability. This is defined as the "degree to which the results of an innovation are visible to others" (Rogers, 1995, p. 244; Rogers, 2003, p. 16). Observability suggests that ideas should give out results that can easily be observed and well explained. The rate of adoption is likely to increase when other players see and understand the results brought by an innovation (Rogers, 1995; Rogers, 2003). Through the diffusion of innovation theory, the study finds how SMEs can interpret the attributes of their innovations and adopt various innovation strategies to foster their positive performance.

2.3.1 Diffusion of Innovation in SMEs

SME performance is heavily supported by innovation practices. The level of innovation in SMEs depends on both formal and informal processes and practices (Robbins & O'Gorman, 2016). That is why the use of social media networks is regarded as an innovation in SMEs (Sarosa, 2012). Both formal and informal processes in innovation are supported by idea generation. Ideas come from both internal and external SME boundaries. Investing in novel ideas is enhanced by the culture of an SME. For example, risk-taking attitude is higher in SMEs that have formal innovation process than those with informal innovation process (Robbins & O'Gorman, 2016). Processes are affected by several characteristics such as relative advantages, observability, complexity and compatibility (Gazem & Rahman, 2013). In turn, these processes are the ones compelling an SME to adopt a particular innovation or not (Ramdani & Kawalek, 2007). In this regard, SMEs need capabilities to test an innovation before they adopt it (Gazem & Rahman, 2013).

Innovation in SMEs is challenged by several factors. They include lack of business know-how and limited financial resources (Vega, Chiasson, & Brown, 2008). However, in developed countries such as Australia, lack of knowledge is no more a challenge to innovation adoption.

Their main challenge is the difficulty experienced in ascertaining the benefits of innovation especially for small-sized projects. In turn, this makes innovation adoption a risky decision due to the limited resources SMEs own (Hosseini, et al., 2016; Al Mamun, 2018; Boonsiritomachai, McGrath, & Burgess, 2016). Risky actions may endanger SME performance (Peltier, Zhao, & Schibrowsky, 2012). SMEs do face difficulty in overcoming the costs involved in the innovation process or adoption (Sawang & Unsworth, 2011). That is why only SMEs with tight financial muscles are able to adopt innovation (Boonsiritomachai, McGrath, & Burgess, 2016).

Innovation adoption is contributed to by several factors. Generally, the availability of organisational resources is crucial for innovation adoption in SMEs (Boonsiritomachai, McGrath, & Burgess, 2016). Technical know-how plays a vital role in the adoption (Vega, Chiasson, & Brown, 2008). SMEs need to invest in training their workforce including the owners/managers. In this regard, top management support is required (Chiu, Chen, & Chen, 2017). Before adopting any innovation, SMEs need to ensure that owners/managers have the relevant information and are able to foresee benefits associated with such innovation (Boonsiritomachai, McGrath, & Burgess, 2016). This is because; the adoption is partly influenced by the perception of SME owners/managers (Peltier, Zhao, & Schibrowsky, 2012). They greatly control the innovation processes within their enterprises (Klaas, Klimchak, Semadeni, & Holmes, 2010). The skills and knowledge of the workforce play a key role in the innovation adoption (Peltier, Zhao, & Schibrowsky, 2012; Sawang & Unsworth, 2011; Al Mamun, 2018). Without the required training, the SME workforce will not be able to cope with changes in business environment (Ben Youssef, Hadhri, & M'Henni, 2011). Given this context, SME owners/managers need to depend upon human capital and be ready to accept and adopt innovations from their employees in order to withstand pressures from the environment (Klaas, Klimchak, Semadeni, & Holmes, 2010). Other factors include attitude towards change. Their readiness to accept new innovation determines their readiness to adopt innovation (Al Mamun, 2018; Peltier, Zhao, & Schibrowsky, 2012). There are also; relative advantage (Peltier, Zhao, & Schibrowsky, 2012; Chiu, Chen, & Chen, 2017), observability (Gazem & Rahman, 2013; Chiu, Chen, & Chen, 2017), trialability, and compatibility (Chiu, Chen, & Chen, 2017). SMEs need to see evidence of benefits associated with innovative products before they adopt such innovations (Gazem & Rahman, 2013; Chiu, Chen, & Chen, 2017; Boonsiritomachai, McGrath, & Burgess, 2016).

The innovation adoption among SMEs is also dependent on SME capabilities in new product development, and ability to adapt and manage new business processes that create value (Al Mamun, 2018). For example, new business practices could be managing the supply chain (Hosseini, et al., 2016; Boonsiritomachai, McGrath, & Burgess, 2016) or managing market

uncertainty and environmental hostility (Peltier, Zhao, & Schibrowsky, 2012). This is part of the external or competitive pressure that influences innovation adoption in SMEs (Sawang & Unsworth, 2011; Chiu, Chen, & Chen, 2017; Boonsiritomachai, McGrath, & Burgess, 2016). For example, in order to adapt to the competitive pressure and increase knowledge capital and address financial constraints, some SMEs have realised the need to take part in the innovation processes of key industry players especially the large scale enterprises (Liu & Laperche, 2015). This is because; to a great extent, most of the large enterprises adopt innovations existing in the market, and their adoptions are not barricaded by financial inadequacy (Sawang & Unsworth, 2011). In order to respond to various changes and competitive pressures from the business environment, SMEs need capabilities to adopt and manage innovations, and foresee their economic benefits and rewards. They also need to manage risk, cost and time (Al Mamun, 2018). Time is one of the main factors of innovation diffusion (Ben Youssef, Hadhri, & M'Henni, 2011). Apart from the diffusion of innovation theory, the enterprise risk management approach is also used to get insights about the entrepreneurial strategies (risk-taking).

2.4 Enterprise Risk Management

Enterprise risk management (ERM) is a widely known approach that assists businesses to predict risks and establish tradeoffs between costs and earnings (Zou & Hassan, 2015). It is one of the important aspects of corporate governance (Sprčić, Kožul, & Pecina, 2015). Firms that adopt ERM are in a better position to spot possible risks and find measures that relate to their risk appetites (Soltanizadeh, Rasid, Golshan, Quoquab, & Basiruddin, 2014; Nocco & Stulz, 2006). The aim is to manage risks and not eliminate them (Fadun, 2013). In their definition of ERM, COSO (2004) argues that risks should not only be managed but also remain within the firms' risk appetites. ERM is a process that seeks the involvement of all members of an organisation (Nocco & Stulz, 2006) in devising a strategy that discovers and manages all possible events that may pose threats in achieving organisation's objectives categorised as strategic, operations, reporting, and compliance objectives (COSO, 2004; Harner, 2010). Literature suggests that ERM allows the firm to achieve its objectives by managing three types of risks: strategic, operational, and financial risks (Harner, 2010; Zou & Hassan, 2015; Sprčić, Kožul, & Pecina, 2015). However, organisations do not categorise these risks in similar way. Most banks for example, categorise them as market risk, credit risk, and operational risk while insurance entities may group them as asset risks (such as credit and market), liability risks, operating risks, liquidity risks, and strategic risks whereby reputational risks are embedded in all types of risks facing insurance business (Nocco & Stulz, 2006). Organisations may classify strategic risks as those associated with product development, competition, and customers while risks connected to currency, price, liquidity, credit, and interest rate fall under financial risks (Sprčić, Kožul, & Pecina, 2015). Operational risks are those associated with the operations of

the business such as the internal processes, human resources, and external events. They also include legal risks such as loss resulting from fines and penalties (Basel Committee on Banking Supervision, 2005). All these risks are identified and managed efficiently without smothering entrepreneurialism (Huber & Rothstein, 2013). However, financial institutions and insurance companies, and other energy companies are widely seen as the main adopters of ERM (Silva, da Silva, & Chan, 2016). These are large enterprises. The study sought to find how ERM strategy could be translated and implemented in SMEs.

2.4.1 Enterprise Risk Management in SMEs

Risk management is significantly related to SME performance (Kehinde, Opeyemi, Benjamin, Adedayo, & Abel, 2017). Risk knowledge paves way for SMEs to explore more opportunities (Brustbauer, 2016). It enables SMEs to evaluate and make a very risky decision to attract profitability (Belinskaja & Velickiene, 2015). Risk management enables SMEs to develop capabilities in dealing with uncertainties (Crovini, 2017). Without this crucial knowledge, SMEs are likely to face disturbances in their operations, which in turn, negatively affect their performance (Verbano & Venturini, 2013). Although SMEs lack the required resources and mechanisms in managing risks (Brustbauer, 2016), they need to have the workforce that has ability to manage risks (Silva, Wu, & Ojiako, 2013) in order to remain profitable and survive against unexpected business complexities (Kehinde, Opeyemi, Benjamin, Adedayo, & Abel, 2017) is unavoidable. They need employees and owners/managers that have risk management knowledge in order to respond to multiple aspects of business (Lukianchuk, 2015; Falkner & Hiebl, 2015). In most of the SMEs, owners/managers are the ones defining risks and are expected to make both tactical and strategic decisions (Zoghi, 2017; Belinskaja & Velickiene, 2015). They are also responsible for managing risks although most of them have little knowledge on risk management. However, risk identification and analysis should involve members at all levels of an organisation. Large entities for example, are objective and analytical in making business decisions. This is not the case with SMEs which in most cases are subjective (Agrawal, 2016).

Although the forms of risks depend on the sector in which an SME operates, there is enough evidence telling that SMEs significantly meet financial risks. They also face operational risks, strategic risks (Zoghi, 2017), and other risks associated with legal, political, and economic factors including the unpredictable tax systems. SMEs are advised to put mechanisms that control these risks. The monitoring and controlling initiatives differ depending on the type of risks. For example, they need to ensure compliance on safety standards and provide frequent trainings to their employees in order to address accidents at workplace. Therefore, planning techniques should be instituted in order to manage business and operational crises such as

inconsistent orders, untimely payments, and production defects, and risks associated with seasonality, and working capital management (Belinskaja & Velickiene, 2015). As mentioned earlier, potential risks should be controlled in order to ensure the survival of SMEs (Verbano & Venturini, 2013). Risk control in SMEs requires the enhancement of internal environment. This environment sets the mechanisms for sharing information about potential risks and possible controlling initiatives. It is ascertained that the mechanisms that guarantee risk identification and assessment in SMEs influence performance (Jenya & Sandada, 2017). However, most of the SMEs put little emphasis on the identification, assessment and monitoring of risks (Brustbauer, 2016). They also reveal little understanding on linking risk management and other business processes within their organisations (Gorzeń-Mitka, 2015) irrespective of the industrial sectors in which they operate (Zoghi, 2017). The task of identifying risk in most cases depends on the owners'/managers' risk knowledge. When in need of analysing and assessing risks, they sometimes consult friends or other people with deeper risk knowledge and experience. There is also significant evidence suggesting that they sometimes outsource risk monitoring activities (Belinskaja & Velickiene, 2015). Those who identify, assess, and monitor risks, do it infrequently. Their main strategies are based on experience, and brainstorming (Zoghi, 2017). They also control risks through an emergency plan (Falkner & Hiebl, 2015). An emergency plan translates the SME capabilities into dealing with various types of risks. These capabilities are likely to be used by various lenders or investors in foreseeing and evaluating the future performance of SMEs (Lukianchuk, 2015). However, all these efforts should be connected with a careful identification of risk types and sources in order to develop effective risk management techniques (Silva, Wu, & Ojiako, 2013).

As noted earlier, SMEs are faced by a myriad of challenges pertaining to risk management. It has been noted that many SMEs have little risk management knowledge (Brustbauer, 2016). For example, there is enough evidence showing that a great number of SMEs lack documentation of risk management procedures (Zoghi, 2017). Other necessary skills that need to be acquired by SMEs include ability to access markets and understand their expectations, and ability to respond to competition and economic issues, as well as capabilities to develop and execute business plans (Agrawal, 2016; Belinskaja & Velickiene, 2015). Business plans are likely to help SMEs in accessing resources such as big loans. In order to effectively develop and execute these plans, challenges such as inability to identify and foresee risks, and control them, need to be immediately addressed by SMEs (Belinskaja & Velickiene, 2015). This is possible through the adoption of ERM. Given this context, SMEs are encouraged to implement ERM (Brustbauer, 2016). This is due to the fact that ERM practices create the SME's competitive advantage and contribute significantly to its business success (Yang, Ishtiaq, & Anwar, 2018; Brustbauer, 2016). The role of ERM is to create value for the SME (Lukianchuk, 2015; Agrawal, 2016).

Other benefits include cost reduction, enhancement of corporate governance and realisation of SME mission and objectives (Agrawal, 2016; Smit & Watkins, 2012). Effective implementation of ERM in SMEs requires the need to train their workforce. Owners/managers of SMEs need to ensure that they acquire knowledge of managing risks and corresponding risk appetites, as well as exploring business opportunities (Crovini, 2017). Their duty is also to ensure that their employees have the necessary skills of linking specific risks with their daily duties (Kehinde, Opeyemi, Benjamin, Adedayo, & Abel, 2017). Adoption of ERM in SMEs is dependent on a given SME's awareness of various forms of risks, effective techniques used in assessing and monitoring those risks (Brustbauer, 2016), and challenges faced by other players in implementing ERM (Agrawal, 2016). Implementing ERM in SMEs requires a great effort. SME sector, size, and ownership structure influence its implementation. For example, large entities can easily implement an ERM than SMEs particularly those owned by families (Brustbauer, 2016). Apart from the enterprise risk management approach, the transaction cost theory is also used to get insights about the entrepreneurial strategies (risk-taking).

2.5 Transaction Cost Theory

The theory focuses on transactions and modes of governance (Williamson, 1997). It regards transactions (simple and complex) as an essential unit of analysis (Riordan & Williamson, 1985; Williamson, 1997; Williamson, 1999). The Transaction Cost Economics (TCE) confirms that "the governance of exchange agreements between economic actors is costly" (Leiblein, 2003, p. 939). This is why, the theory places great emphasis on the governance form that minimises costs in business such as production costs and other costs related to governing and monitoring transactions (Das & Teng, 2000; Williamson, 1979; Leiblein, 2003). Hence, the main focus of this theory is put on how business organisations can have effective operation and structure and at the same time attaining efficiency (Williamson, 1981). This theory asks whether efficiency can be attained when a transaction takes place within a firm or outside it (Geyskens, Steenkamp, & Kumar, 2006). TCE tells that governance forms vary in relation to their ability to manage exchange in a particular transactional environment (Leiblein, 2003). The forms of governance such as hierarchy, market, or hybrid are essential in realising mutual gains (Williamson, 1999). TCE focused primarily on market and hierarchy. However, due to an increasing need for managers to cooperate in order to protect their firms from transaction hazards, relational governance has been preferred to substitute hierarchy when market governance fails (Geyskens, Steenkamp, & Kumar, 2006).

TCE assumes that firms have ability to foresee potential hazards, and integrate them into the organisational design (Williamson, 1999). However, one of the major assumptions of TCE is the bounded (limited) rationality. TCE tells that there are difficulties faced by firms to correctly foretell and plan for the future. Due to this challenge, firms struggle to access and analyse

information about the economic actor(s) and the contracting environment (Leiblein, 2003). Another assumption is that of opportunism (opportunistic attitudes). This assumption describes companies or economic actor(s) as portraying efforts to use dishonesty in realising individual gains in transactions (Williamson, 1973). TCE points out that the firm's competitiveness is defined by the alignment between the governance structures and transaction attributes. The choice of governance structure is influenced by transaction attributes. Transaction attributes are the asset specificity, the frequency, and the uncertainty. Asset specificity regards asset that are specifically used in the business relationship and cannot be returned to the market once the contract comes to an end. This is because these assets cannot be useful in a new contract without loss of value. Frequency is the number of times that firms are to perform a transaction. The process of accessing information and preparing the contracts attracts huge costs. These costs can be minimised by a higher frequency. On the other hand, the economic environment is complex and due to this, changes may arise from it. These changes are referred to as uncertainty. An increased uncertainty affects long-term partnerships (Williamson, 1985). Based on TCE, various risk-taking strategies can be construed and be linked to the firm's performance. Therefore, the study establishes this link based on the operating environment and practices of SMEs.

2.5.1 Transaction Cost Economics in SMEs

SMEs strive to manage costs especially the operation costs which are the main focus of Transaction Cost Economics. In this regard, SMEs tend to find ways that can maximise their profitability with low costs (Agburu, Anza, & Iyortsuun, 2017). Failure to manage costs may attract risks that lead to SME unprofitability (Nikolaeva & Pletnev, 2016). Transaction cost economics is applicable in both markets including international business (Brouthers & Nakos, 2004). In order to manage costs and attain efficiency, top decision makers have a primary duty of enacting effective governance mechanisms (Lopez-Perez, Perez-Lopez, & Rodriguez-Ariza, 2013). This role is vested upon the owners/managers since they are mostly the final decision makers in SMEs (Priyanath & Premaratne, 2015). Governance mechanisms intend to control and attain objectives, so that growth can be realised. These mechanisms reflect the firm choices on structures (Lopez-Perez, Perez-Lopez, & Rodriguez-Ariza, 2013). Although large entities enjoy competitive advantages due to their sizes such as credit accessibility (Forte, Barros, & Nakamura, 2013), conflict management, and reduction of opportunism due to strong corporate culture, there is still enough evidence suggesting that small structures of SMEs have higher chances of influencing performance (Lopez-Perez, Perez-Lopez, & Rodriguez-Ariza, 2013). The performance can be influenced by strategy choices. One of these choices could be outsourcing (Agburu, Anza, & Iyortsuun, 2017). However, outsourcing depends on several factors such as task frequency, risk aversion, asset specificity, opportunism, and trust level and

education of a top decision maker (Everaert, Sarens, & Rommel, 2010; Memili, Chrisman, & Chua, 2011). Both relational and structural governance approaches have direct impact on the reduction of transaction cost (Shahzad, 2017).

Transaction cost mediates the link between entrepreneurial orientation and SME growth. It also mediates the link between social capital and SME growth (Wimba, Budhi, Yasa, & Saskara, 2015). Through social capital, SMEs can easily reduce monitoring costs (Priyanath & Premaratne, 2015). For example, in Tanzania, SMEs manage transaction costs related to information, monitoring, and negotiation (Rasheli, 2016). Negotiation costs comprises of costs related to transaction details, obligations of exchange partners, transaction arrangements, and benefit structure. SMEs need to evaluate information before making any decision. However, SMEs have little capabilities when it comes to assessing complex information. SMEs need capabilities in mitigating opportunism from exchange partners. Exchange partners would be suppliers, customers, and any other relevant player involved in transaction. Through social relationships, SMEs are likely to access information that mitigates opportunism and ultimately reduces transaction costs (Priyanath & Premaratne, 2015).

Relationship between exchange partners enables them to share knowledge on markets as well as for internal operations (Shahzad, 2017). Through relationships developed by SMEs, social capital is enhanced and ultimately reduces transaction uncertainty. The transaction uncertainty can be translated by demand and supply uncertainty. The demand uncertainty may involve the focus on predictability of prices while the supply uncertainty may involve the focus on predictability of supply level and input prices. On the other hand, behavioural uncertainty of SMEs can be translated by complexities in evaluating exchange partners. It can also be translated by the risk of opportunistic behaviours of exchange partners particularly on conduct of the exchange partners in dishonouring agreements for gaining personal benefits (Priyanath & Premaratne, 2018). In order to reduce transaction cost, the interaction between communication and trust needs a symmetric dependence that reduces opportunistic behaviours (Shahzad, 2017). Although trustworthy relationships are hard to develop and manage, an important technique in addressing opportunism is the development of interpersonal trust between partners (Priyanath & Premaratne, 2015). Transaction cost can be minimised through trustworthy relationships and social glue whose role is to help partners effectively align their objectives (Shahzad, 2017; Wimba, Budhi, Yasa, & Saskara, 2015). SMEs need social capital in order to make sound judgement that reduces bounded rationality (Priyanath & Premaratne, 2015). Apart from the transaction cost theory, the marketing mix theory is also used to get insights about the entrepreneurial strategies (marketing).

2.6 Marketing Mix Theory

The marketing mix theory entails the development and execution of marketing strategies (Maheswari & Nagamuthu, 2014). The theory has changed from the traditional 4Ps: Product, Price, Place and Promotion, to 7Ps that comprise the traditional 4Ps and other three elements: people, process and physical evidence (CIM, 2015; Maheswari & Nagamuthu, 2014; Išoraitė, 2016). These elements form marketing strategies that are used by firms to achieve marketing targets and create perceived value (Išoraitė, 2016; Maheswari & Nagamuthu, 2014). The theory assists firms to create the relevance of the product in relation to customer's needs, and simplifies the exchange process between the supplier and customer (Gajić, 2012). One of the marketing mix elements is product. Firms sell products to customers. A product can be goods or services (Išoraitė, 2016). A product should provide value to customers. This value is 'defined' by customers. Customers can be attracted by product features and quality level. Firms need to understand the quality level perceived and needed by customers. They should also be in a good position to understand the packaging style that attracts customers, warranties, accessories, product lines, and branding (Zeithaml, Bitner, & Gremler, 2006; CIM, 2015). Price is another important marketing mix element. It is the amount paid by a customer for a particular product (Maheswari & Nagamuthu, 2014). The value of the product relates to what the customer is ready and willing to pay. That is why firms are encouraged to consider the customer's perspective before developing a particular pricing strategy. They should strive to set competitive prices for their products (CIM, 2015). Their prices should be able to adapt to changes in the business environment such as price terms, discounts, and differentiation (Išoraitė, 2016; Zeithaml, Bitner, & Gremler, 2006). This is because; price is the source of revenue, profit, market share, customer satisfaction, and loyalty (Išoraitė, 2016; CIM, 2015). Also, customers tend to link price and quality of the product. They can also use price to position the particular firm's products against that of its rivals (CIM, 2015).

Place (distribution) is key to business performance. Marketing mix theory suggests that customers need to access their preferred products in right place, size, and at the right time (CIM, 2015). Distribution may involve managing the type of channel used to deliver the products, means of transport used, business location, intermediaries, and storage (Zeithaml, Bitner, & Gremler, 2006). Customers are likely to buy when there is convenience that can be created in a physical place or in a virtual store (CIM, 2015; Maheswari & Nagamuthu, 2014). That is why delivery performance is regarded as a source of competitiveness. Firms need to ensure the availability of these products but with minimum distribution costs (CIM, 2015). The costs may rise particularly when the distribution strategy involves a lot of players such as producers and brokers, but should be managed to incorporate the interests of consumers (Išoraitė, 2016). Promotion is a marketing mix element that is used by firms to communicate what they do, raise

awareness of their products, how will the customers benefit, and influence the purchase (Išoraitė, 2016; Maheswari & Nagamuthu, 2014; CIM, 2015). In return, these promotional efforts, increase revenue and brand loyalty (Išoraitė, 2016). Promotion can be carried through advertising, publicity, personal selling, direct marketing, and sales promotion (Maheswari & Nagamuthu, 2014; Zeithaml, Bitner, & Gremler, 2006; CIM, 2015).

The firm's reputation is heavily contributed to by the staff (CIM, 2015). These are the ones who meet the customers and provide services (Maheswari & Nagamuthu, 2014). They need to be well trained, rewarded, and motivated (Zeithaml, Bitner, & Gremler, 2006; Maheswari & Nagamuthu, 2014) in order to influence customer satisfaction (CIM, 2015). On the other hand, marketing mix theory explains about the need to have procedures in delivering the product (Maheswari & Nagamuthu, 2014). This is a process that involves the flow of activities, steps followed, and customer involvement (Zeithaml, Bitner, & Gremler, 2006). There is a link between the process used and customer satisfaction. This is because, all steps, mechanisms, and activities involved, and the behaviour of people, affect the customer's interests and needs (CIM, 2015). The environment in which product delivery is done is of paramount importance in attracting customers. The physical evidence may comprise of physical premises such as buildings and their interior and exterior designs or digital premises. It also includes equipment and other facilities, company documents and employee dress (Maheswari & Nagamuthu, 2014; Zeithaml, Bitner, & Gremler, 2006; CIM, 2015). All these environment aspects need to be appealing and be able to support the processes and other business operations. They should be user friendly and confirm what customers perceive about the company and its products (CIM, 2015). The study argues that the marketing mix theory is a key concept that presents various marketing strategies needed by firms to survive. These strategies can be adopted by SMEs as well. The study therefore sought to establish the link between these strategies and SME performance.

2.6.1 Marketing Mix in SMEs

Contemporary markets witness stiff rivalry among players. This is mainly attributed to by the product knowledge of consumers (Čorak & Šnajder, 2016). This is why SMEs adopt marketing mix strategies (Nneka, 2015). They devote most of their time in the execution of these strategies (Resnick, Cheng, Simpson, & Lourenço, 2016) particularly those related to product, price, place, and promotion (Nneka, 2015). However, before executing these strategies, market research ought to take place (Čorak & Šnajder, 2016). This will in turn, provide SMEs with understanding of key and relevant marketing principles that can influence their brands (Resnick, Cheng, Simpson, & Lourenço, 2016). Strategies related to product, mostly referred to as product strategy (Nawawi, Husin, & Wiryawan, 2017), have mainly focused on branding, packaging, and designing (Sari, 2017). Product design is influenced by the trends in the markets (Tripathi &

Siddiqui, 2012). In order to compete, SMEs need to concentrate on innovation initiatives that improve product design and quality (Pangemanan & Walukow, 2018). This should be a continuous process (Tripathi & Siddiqui, 2012). In order to carry out these processes effectively, SMEs need intensive training (Pangemanan & Walukow, 2018). This is because; the market is trendy, and is driven by customers' interests. It is in this regard that literature suggests the need to develop and produce products according to customer specifications (Resnick, Cheng, Simpson, & Lourenço, 2016). Customers demand fashionable and quality products (Tripathi & Siddiqui, 2012). Quality should be reflected in design, processes and standards, characteristics, and packaging (Seyyedamiri & Faghih, 2015). The benefits of packaging are not seen in protection alone, but in promoting a product (Tripathi & Siddiqui, 2012), and influencing SME performance (Gbolagade, Adesola, & Oyewale, 2013).

Another strategy mostly implemented by SMEs is pricing. The SME performance can be influenced by pricing (Gbolagade, Adesola, & Oyewale, 2013). This strategy incorporates the interests of users in order to establish the product price (Seyyedamiri & Faghih, 2015). SMEs may rely on mark-up pricing strategies (Sari, 2017), or any pricing strategy that is affordable and is able to compete (Nawawi, Husin, & Wiryawan, 2017). Most of the SME consumers, are price sensitive (Gbolagade, Adesola, & Oyewale, 2013) and this forces SMEs to rely on cost control mechanisms (Pangemanan & Walukow, 2018). Cost control initiatives need to be reflected in all SME strategies including distribution strategies. Customers need timely and convenient delivery of their products. Although the location of an SME plays a significant role in business performance (Banwo, Du, & Onokala, 2017), effective distribution strategies can still be used to mitigate challenges relating to business locations. Distribution strategies are intended to set means by which products will be delivered effectively (Seyyedamiri & Faghih, 2015) not just awaiting a wider market (Nawawi, Husin, & Wiryawan, 2017). This is because; distribution strategies can influence SME performance (Gbolagade, Adesola, & Oyewale, 2013). From these evidences, SMEs should develop and execute distribution strategies that increase their competitive advantages. Based on market factors, SMEs may prefer selling directly to their customers (Sari, 2017) or using middlemen or both methods.

SMEs need to do promotion (Pangemanan & Walukow, 2018). This is one of the major business operations that enhance SME performance and competitive advantage. It entails informing the target market about the products with intention of positioning the products in the minds of customers (Tripathi & Siddiqui, 2012), and attracting them to purchase (Seyyedamiri & Faghih, 2015). That is why, effective promotion strategies should be carried out by well trained and skilled personnel who have the capabilities to advocate the unique characteristics of SME products (Tripathi & Siddiqui, 2012). These are personnel who will be responsible for

managing interactive or relationship marketing that involves all SME stakeholders such as customers, suppliers, and partners (Sathana, Velnampy, & Rajumesh, 2018; Sari, 2017). Such interactions can take place through word of mouth communication, a strategy that has been useful in SMEs (Resnick, Cheng, Simpson, & Lourenço, 2016; Sharafizad & Coetzer, 2017). Also, customer relationship management allows SMEs to attract and retain customers through branding strategies (Seyyedamiri & Faghih, 2015). Owners/managers play a vital role in promoting their SMEs through customer relationship management. This is because; the owner/manager is regarded as SME's identity and hence a branding tool that is integrated in day to day business operations of an SME (Resnick, Cheng, Simpson, & Lourenço, 2016). SMEs may also involve marketing networking in their promotion strategies (Pangemanan & Walukow, 2018). Networking is again a vital tool in creating and managing relationships with customers through interaction and personal recommendation (Resnick, Cheng, Simpson, & Lourenço, 2016). Nevertheless, through promotional support, SMEs are likely to execute advertising strategies in print, audio, and visual media (Tripathi & Siddiqui, 2012) including online marketing (Sari, 2017). In this regard, effective utilisation of technology is essential (Nawawi, Husin, & Wiryawan, 2017). In order to attain competitive advantages through promotion, SMEs need to institute sales promotion involving discounts (Seyyedamiri & Faghih, 2015). Apart from the marketing mix theory, the resource-based view perspective is also used to get insights about the entrepreneurial strategies (marketing), and the role of firm resources in supporting the execution of entrepreneurial strategies.

2.7 Resource-Based View Perspective

The resource-based view (RBV) perspective is widely cited in management research. According to RBV, resources reveal the strengths or weaknesses of firms (Barney, 1991; Wernefelt, 1984). Resources comprise of employees, assets, machinery, organizational procedures and processes, capital, business contacts, brand names, knowledge, firm attributes, capabilities, and information (Mills & Platts, 2003; Daft, 1983; Wernefelt, 1984; Barney, 1991). The resource-based view perspective asserts that the firm's resources determine its performance. Firms may achieve extraordinary returns by identifying and acquiring resources that are crucial to the product development (Wernerfelt, 1984). The firm's resources determine strategic choices and are crucial in strategy formulation (Madhani, 2009). Controlling the resources may lead to improvement of efficiency and effectiveness. This is supported by successful implementation of strategies (Daft, 1983; Barney, 1991). Successful implementation of strategies that create value is a primary source of sustained competitive advantage (Barney, 1991). Resource-based view indicates that the firm's resources and capabilities have a significant contribution to the sustained competitive advantage and survival chances of the firm (Barney, 1991; Wernerfelt, 1984; Sheppard, 1995; Das & Teng, 2000; Meso & Smith, 2000). Sustained competitive

advantage is achieved when the same strategies are not implemented by current or potential rivals at the same time, and when these rivals fail to reproduce the benefit of these strategies (Barney, 1991). It is also achieved when the firm possesses a variety of resources, and when its rival (that does not own such resources) faces difficulty in developing and acquiring them (Madhani, 2009). The study argues that the firm's performance cannot be achieved in absence of crucial resources. The study therefore adopts RBV to get an insight of how the firm's resources can act as a bridge to enhance the link between various entrepreneurial strategies and the firm's performance. The study finds this relationship in SMEs.

2.7.1 Resource-Based View Perspective in SMEs

Effective use of opportunities in SMEs that seek growth can be translated by the adoption of RBV. This theory is an essential driver of an SME's competitive advantage and sustainability (Darcy, Hill, McCabe, & McGovern, 2014). Sustainability is achieved if SMEs integrate their resources in their core business strategy (Kelliher & Reinl, 2009). That is why research suggests that strategies intended to improve resource capabilities in SMEs should be integrated with SMEs' area of expertise (Garg & De, 2014). The resource-based view provides insights that seek to enable an SME assess its weaknesses and strengths and apply suitable interventions (Darcy, Hill, McCabe, & McGovern, 2014). SMEs need to utilise their strengths in order to amplify their capabilities (Garg & De, 2014). SMEs that realise speedy growth possess entrepreneurial characteristics that help them to explore opportunities and use them effectively (Ferreira, Azevedo, & Ortiz, 2011). However, in order to effectively exploit resources, an SME needs to make well-informed decisions (Andersén & Samuelsson, 2016) in accordance with its structure, culture, leadership, and strategies (Kelliher & Reinl, 2009). In this regard, SMEs need to find challenges that face the process of strengthening their capabilities (Garg & De, 2014) and address them in order to influence competitive advantage (Kelliher & Reinl, 2009).

As mentioned earlier, in SMEs, the resource-based view of the firm translates the firm's resources into terms of business resources, human resources (Yang, Xun, & He, 2015), entrepreneurial orientation (Roxas & Chadee, 2011), managerial skills, and technological resources (Hadjimanolis, 2000). These resources have direct impact on SME growth (Ferreira, Azevedo, & Ortiz, 2011). For example, knowledge is created when SMEs posses valuable resources such as dynamic capabilities (Baumane-Vitolina & Cals, 2013). Also, the SME's growth depends on its entrepreneurial capabilities to develop and maintain networks (Ferreira, Azevedo, & Ortiz, 2011). These dynamic capabilities include abilities to develop innovation culture and social capital, explore opportunities, and take risks (Baumane-Vitolina & Cals, 2013). These capabilities are developed and strengthened through gradual learning processes (Hadjimanolis, 2000) such as individual learning (Kelliher & Reinl, 2009) that strengthens the

firm's resources in leadership (Miyamoto, 2017) and ultimately increases its managerial competence (Hadjimanolis, 2000). These competencies are also influenced by relationships (Kelliher & Reinl, 2009). The development of relationships and networks, and the knowledge management practices depend on key characteristics of an SME (Roxas & Chadee, 2011). Apart from the resource-based view perspective, the organisational knowledge creation theory is also used to get insights about the entrepreneurial strategies (knowledge management).

2.8 Organisational Knowledge Creation Theory

Organisations need ability to use and share current knowledge (Hasnain, 2015). The culture of sharing knowledge fuels new ideas that become the foundation of knowledge creation (Yi & Jayasingam, 2012). Knowledge creation drives competency within an organisation. It is also linked to competitiveness (Bratianu & Orzea, 2010). An individual person is basically the one initiating new knowledge that becomes the basis of organisational knowledge (Nonaka, 1991). Organisational knowledge changes with changes in the external environment, as well as time (Hasnain, 2015). Given this scenario, information needs to be transformed into knowledge (de Castro & Montoro, 2013). This process involves several resources such as place, and time (Nonaka & Toyama, 2003). Knowledge creation, sharing, and utilisation take place through interactions and actions of individuals (de Castro & Montoro, 2013). All these are enhanced by the existence of a physical context known as 'ba' which means 'place' in Japanese (Nonaka & Toyama, 2003; de Castro & Montoro, 2013). The concept of ba explains about the mechanism in which knowledge creation takes place. Ba is an environment in which knowledge is converted, shared, and utilised along the knowledge spiral. Ba can be created in individuals, or in both formal and informal groups whereby interaction is enhanced (Nonaka & Toyama, 2003). A ba plays a vital role in contextualising information and knowledge. A ba can also be created at workplace (de Castro & Montoro, 2013) and its existence and disappearance depend on the prevailing need (Nonaka & Toyama, 2003). In this environment, it is when tacit knowledge and explicit knowledge is created. Tacit knowledge can be described in terms of the skills that are the results of an individual's technical experience, and expertise that he or she fails to express. It also contains a cognitive aspect that comprises of belief and perception reflecting both the reality and vision. Tacit knowledge is basically invisible, and cannot be shared, and expressed easily. It is based on personal practices and experience. Explicit knowledge is formal and systematic. It is in the form of data, words, and numbers. Explicit knowledge can easily be shared (Nonaka, 1991; Nonaka & Takeuchi, 1995).

Nonaka & Takeuchi's (1995, p. 7) model of knowledge creation and transfer dwells on a four-stage process that comprises of: "socialization, externalization, combination, and internalization". The first stage is socialisation. This is the first stage where knowledge creation commences (Nonaka & Toyama, 2003). It is the process of transforming new tacit knowledge

through shared practices and experience (Nonaka & Toyama, 2003). At this stage, existing tacit knowledge is used to create a new tacit knowledge (Berraies & Chaher, 2014). Tacit knowledge is transferred through social contact among organisational members (Nonaka & Takeuchi, 1995). That is to say, this process is mainly supported by social interaction (Nonaka & Toyama, 2003). It allows members of an organisation to perceive things differently and understand how others perceive things (Ramírez, Morales, & Rojas, 2011). For example, through socialisation, it is possible to share customers' tacit knowledge (Nonaka & Toyama, 2003). At this stage, tacit knowledge is shared to an individual who can acquire it through observation, imitation, and practice (Nonaka, 1991). For example, a manager would simply walk around the office premises and perceive what is going on (Oye, Salleh, & Noorminshah, 2011). The second stage is externalisation. This stage involves the conversion of tacit knowledge into explicit knowledge (Nonaka & Takeuchi, 1995; Berraies & Chaher, 2014). After conversion into explicit knowledge, it can now easily be shared by the rest members of the team (Nonaka, 1991). In this process, individuals try to share knowledge with others, particularly with the members of the group, and ultimately, members of the group get an opportunity to view the shared knowledge in different ways (Nonaka & Toyama, 2003) and through systems (Ramírez, Morales, & Rojas, 2011). In externalisation, tacit knowledge is converted into explicit knowledge so that it can be shared to others and become the foundation of conceptualisation, and written documents (Nonaka & Toyama, 2003) such as company reports (Ramírez, Morales, & Rojas, 2011). That is why this process can be enhanced by conceptualisation, or modelling (Nonaka & Takeuchi, 1995) and be easily sustained by the availability of advanced information technology within the firm (Oye, Salleh, & Noorminshah, 2011).

The third stage is combination. This is a process that allows the use of existing explicit knowledge in creating a new explicit knowledge (Nonaka & Takeuchi, 1995; Berraies & Chaher, 2014). This process involves the collection of explicit knowledge from both the internal and external business environment of the firm, and thereafter process, and reorganize it to create a new and logical explicit knowledge to be shared by an organisation through information systems such as files, and databases (Nonaka & Toyama, 2003; Oye, Salleh, & Noorminshah, 2011; Ramírez, Morales, & Rojas, 2011). For example, information can be collected from different departments and be combined to form a corporate financial report (Nonaka, 1991). The fourth and last stage (not in order of importance) is internalisation. This stage involves the conversion of explicit knowledge into new tacit knowledge (Nonaka & Takeuchi, 1995; Oye, Salleh, & Noorminshah, 2011; Berraies & Chaher, 2014). Here, members of an organisation share explicit knowledge with one another and convert it into tacit knowledge (Nonaka & Toyama, 2003). Explicit knowledge can be in terms of product models or production processes, and this knowledge should be internalised ready to become one's own tacit knowledge (Nonaka

& Toyama, 2003; Nonaka, 1991). Again, information technology systems used in the internalisation process is a key motivating factor for members of an organisation to participate fully in the process. In this stage, tacit knowledge is acquired and used in the socialisation stage when a new knowledge creation process begins (Oye, Salleh, & Noorminshah, 2011). According to Berraies & Chaher (2014, p. 207), "after internalization, a new spiral of knowledge creation is initiated". The process dwells in a dynamic interaction forming a spiral, not a circle (Nonaka & Toyama, 2003; Nonaka, 1991). Based on the organisational knowledge creation theory, the study aimed to explore various knowledge management strategies and link them to firm performance especially the performance of SMEs.

2.8.1 Organisational Knowledge Creation Theory in SMEs

Knowledge management covers knowledge acquisition, sharing, and utilisation. Knowledge management enables SMEs to develop solutions that facilitate efficiency and effectiveness (Gholami, Asli, Nazari-Shirkouhi, & Noruzy, 2013). Knowledge creation is an essential input to innovation (Laeeque & Babar, 2017). Literature tells that SMEs support knowledge creation processes (Sołek-Borowska, 2017). Firms need to create knowledge in order to develop innovative products that facilitate their performance, growth and sustainability (Laeeque & Babar, 2017; Cerchione, Esposito, & Spadaro, 2015). SMEs also need knowledge creation in order to make strategic decisions that influence their performance (Gholami, Asli, Nazari-Shirkouhi, & Noruzy, 2013). Literature confirms that there is a positive relationship between knowledge management and innovation performance. Knowledge management practices, supported by knowledge capabilities, and innovation, are the engine of efficiency and competitive advantage (Alegre, Sengupta, & Lapiedra, 2013; Laeeque & Babar, 2017; Byukusenge & Munene, 2017; Gholami, Asli, Nazari-Shirkouhi, & Noruzy, 2013). This performance cannot be achieved unless product development and enhanced business processes take place in SMEs through knowledge acquisition, sharing and utilisation (Byukusenge & Munene, 2017).

SMEs need resources that reflect their operating environment (Ngah & Jusoff, 2009). Knowledge management capabilities are firm-specific, and cannot be imitated easily (Alegre, Sengupta, & Lapiedra, 2013). There are however, several sources of knowledge in SMEs. One of them is learning. Through learning, new knowledge capabilities are developed (Laeeque & Babar, 2017). Entrepreneurs can learn and acquire knowledge through socialisation, a process that creates tacit knowledge from other forms of tacit knowledge. Learning of this nature can be facilitated through informal meetings or discussions. Entrepreneurs such as SME owners can learn and acquire knowledge through internalisation, a process that creates tacit knowledge from explicit knowledge. They are likely to devote time to internalisation in order to create and

acquire more knowledge. However, newly established SMEs devote more time in acquiring tacit knowledge than explicit knowledge (Bandera, Keshtkar, Bartolacci, Neerudu, & Passerini, 2017). In SMEs, a considerable amount of knowledge tends to be tacit (Ngah & Jusoff, 2009; Durst & Leyer, 2014). Since SMEs are under-resourced, the implementation of knowledge management practices faces a lot of challenges. In order to address these challenges, SMEs decide to have informal interactions that lead to the generation of tacit knowledge (Sołek-Borowska, 2017). Literature confirms that if SMEs focus on acquiring, sharing, and utilising tacit knowledge, they are likely to achieve great performance that is heavily contributed to by the development of innovative products (Ngah & Jusoff, 2009).

SMEs can also learn and acquire knowledge through operational problem-solving processes (Alegre, Sengupta, & Lapiedra, 2013). Both internal and external trainings to employees are facilitated by the learning culture within the firm. Through this culture, firms acquire innovation capabilities. Through their management, firms should create innovation vision and support the workforce to create, share, and utilise knowledge by integrating duties that encourage knowledge creation, sharing, and utilisation. This is possible if managers' actions and speeches match (Laeeque & Babar, 2017). SMEs need to create and manage favourable climate and culture in order to encourage members get involved in executing knowledge management practices and initiatives (Gholami, Asli, Nazari-Shirkouhi, & Noruzy, 2013).

Another important source of knowledge creation is the organisation structure. Structure should support the climate of creating knowledge by enabling interaction of members within the firm in order to increase their capabilities in knowledge acquisition, sharing, and utilisation (Laeeque & Babar, 2017). For example, through interaction, family owned SMEs have acquired tacit knowledge (Muskat & Zehrer, 2017). Also, interaction paves way for SMEs to effectively share knowledge (Ngah & Jusoff, 2009). On the other hand, and in most cases, a few individuals or owners/managers hold the key knowledge. In this regard, SMEs face risk of knowledge loss (Muskat & Zehrer, 2017; Durst & Leyer, 2014). When knowledge is hidden, creativity dwindles (Černe, Nerstad, Dysvik, & Škerlavaj, 2014; Durst & Leyer, 2014). Knowledge loss could also be caused by poor or lack of a succession plan that is greatly influenced by poor or lack of management experience by the successor, and the emotional attachment of the predecessor (Muskat & Zehrer, 2017). However, SMEs need to identify risks associated with knowledge management practices in order to manage the risk of knowledge loss (Durst & Leyer, 2014). They need modern and efficient systems that enhance knowledge creation, sharing, and utilisation (Cerchione, Esposito, & Spadaro, 2015). Apart from the organisational knowledge creation theory, the knowledge-based view is also used to get insights about the entrepreneurial strategies (knowledge management).

2.9 Knowledge-Based View

The knowledge-based view holds that knowledge creation practices, efficient knowledge, and information sharing are the major elements that drive the firm's existence (Kogut & Zander, 1992). Effective knowledge management initiatives allow firms to integrate their communication networks with the knowledge from their employees and ultimately propel value addition (Moayer & Gardner, 2012). The sharing and application of knowledge in the right environment and tools characterise knowledge management (Jashapara, 2011). The nature of the business environment has forced firms to internalise their operations (Conner & Prahalad, 1996; Kogut & Zander, 1992). According to Grant (1996), the theory suggests that interdependence is an integral part of organisation development. In this regard, interaction among members of the organisation influences the acquisition and sharing of knowledge (Kogut & Zander, 1992). Therefore, organisations that seek to become knowledge-based entities need to embrace the development, safeguarding, integration, and sharing of knowledge (Perez-Bustamante, 1999). Ultimately, such organisations will have great chances of satisfying their customers and attain efficiency (Lee, 2009). Additionally, they are likely to utilise their knowledge resources that cannot easily be imitated in driving competitive advantages (Wiklund & Shepherd, 2003). Knowledge is an important asset that can facilitate effective decision making process in which sound, informed, and critical decisions are made (Moayer & Gardner, 2012). In this regard, the study adopted the knowledge-based view to understand knowledge as a crucial resource in sustaining competitive advantage, and establish mechanisms that connect knowledge management strategies with SME performance.

2.9.1 Knowledge-Based View in SMEs

SMEs need knowledge to compete and survive. Effective Knowledge management is the source of entrepreneurial spirit in SMEs (De Clercq, Dimov, & Thongpapanl, 2015). They need to acquire knowledge in order to manage markets, customers, and business rivals (Carraresi, Mamaqi, Albisu, & Banterle, 2012). The acquired knowledge influences innovation performance of SMEs (Mennens, Van Gils, Odekerken-Schröder, & Letterie, 2018; Price, Stoica, & Boncella, 2013). However, SMEs need capabilities to utilise knowledge in order to realise performance particularly the service innovation (Mennens, Van Gils, Odekerken-Schröder, & Letterie, 2018). They face a lot of challenges associated with knowledge management which impede their competitiveness (Szerb & Ulbert, 2009). These challenges can be addressed by developing capabilities that guarantee the development and adoption of differentiation strategies and peculiar practices (Carraresi, Mamaqi, Albisu, & Banterle, 2012). SMEs that develop knowledge capabilities attain competitiveness. Knowledge capabilities enable SMEs to manage processes involved in knowledge management such as creation, recreation, absorption, reconfiguration, and integration of knowledge (Chan, Denford, & Jin,

2016). For example, literature tells that absorptive capacity influences an SME's knowledge performance (Moreno, Pinheiro, & Joia, 2012). SMEs need to manage knowledge resources and all the processes involved from knowledge acquisition to utilisation. This is because; knowledge resources significantly contribute more to the SME's competitiveness than all other resources within it (Price, Stoica, & Boncella, 2013). SMEs are also advised to allow the involvement of their workforce in the decision making process, as well as seeking support from both internal and external environment (Farace & Mazzotta, 2015). Both internal and external collaborations are the sources of knowledge capability and competiveness (Mennens, Van Gils, Odekerken-Schröder, & Letterie, 2018). In that context, SME owners/managers need to create a culture that supports effective participation of employees in knowledge sharing (Price, Stoica, & Boncella, 2013). This culture may be construed in terms of rewarding systems and informal meetings (Terziovski, 2010). A favourable environment within an SME attracts open knowledge-sharing (De Clercq, Dimov, & Thongpapanl, 2015).

Knowledge can be acquired through employee collaborations. These collaborations contribute significantly in the development of capabilities to manage knowledge (Mennens, Van Gils, Odekerken-Schröder, & Letterie, 2018). Through these capabilities such as capturing, storing, retrieving, and transferring information, SME performance is achieved (Chan, Denford, & Jin, 2016). These capabilities are built once factors involved in creating knowledge are considered. They include technology, business networks, and the workforce. The consideration of these factors influence innovation in SMEs (Farace & Mazzotta, 2015). Also, the sharing of information and its analysis are related to innovation (Soto-Acosta, Popa, & Palacios-Marqués, 2016). Additionally, the diversity of partners involved in SME innovation influences the SME knowledge acquisition capacity (Mennens, Van Gils, Odekerken-Schröder, & Letterie, 2018) supported by effective information systems (Chan, Denford, & Jin, 2016). Apart from the knowledge-based view, the interdependence theory is also used to get insights about the entrepreneurial strategies (networking).

2.10 Interdependence Theory

Interdependence theory deals with interpersonal situations and their roles in handling personal motives (Balliet, Mulder, & Van Lange, 2011). Key to interdependence theory is dependence level. This explains the degree to which each of the two partners needs their relationship (Agnew, Van Lange, Rusbult, & Langston, 1998; Rusbult & Van Lange, 2003). Interdependence can be explained in terms of the prevailing, and future outcomes that emerge from the interaction of the partners who pursue joint behaviours (Van Lange, 1997). When their relationship gives positive outcome than what is offered by alternative relationships, their dependence increases (Agnew, Van Lange, Rusbult, & Langston, 1998). Situations often exert strong effects on behaviour (Rusbult & Van Lange, 2003). Interdependence situations are

complex and multifaceted. Misunderstandings may arise when two individuals interact. The sources of conflict could be the use of inadequate ways in understanding interpersonal goals, or unwillingness to forego personal interests when faced by a social dilemma (Van Lange, 1997). Basically, social dilemmas include a conflict between personal and collective interests, as well as between short-term and long-term interests (Van Lange & Joireman, 2008). In this theory, it is not only interpersonal motives that are regarded, but also broader motives can be adopted by the partners so that in terms of these motives, others' behaviour is comprehended (Balliet, Mulder, & Van Lange, 2011). That is why the interdependence theory helps to understand the relationship stability (Van Lange & Rusbult, 2012).

The theory has several basic assumptions. One of the assumptions is the principle of structure. Structure fosters behaviour. This principle is based on "degree of dependence, mutuality of dependence, covariation of interests, bases of dependence, temporal structure, and information availability" (Van Lange & Balliet, 2015, p. 68). The level of dependence refers to the extent to which an individual relies on an interaction partner. In this case, the partner plays a vital role in influencing this individual's outcomes (Van Lange & Balliet, 2015; Rusbult & Van Lange, 2003; Van Lange & Rusbult, 2012; Van Lange, 2012). Mutuality of dependence explains about whether two partners are equally depending on each other. This is because, without equality, one partner may control all the decisions and resources (Van Lange & Balliet, 2015; Rusbult & Van Lange, 2003; Van Lange & Rusbult, 2012; Van Lange, 2012). The basis of dependence is all about the way in which an individual influences his or her partner's outcomes (Van Lange & Balliet, 2015; Rusbult & Van Lange, 2003; Van Lange & Rusbult, 2012; Van Lange, 2012). Covariation of interests regards whether the course of action benefiting one partner is similarly benefiting the other partner (Van Lange & Balliet, 2015; Rusbult & Van Lange, 2003; Van Lange & Rusbult, 2012; Van Lange, 2012). Temporal structure asserts that relationships develop and change. Due to these changes, some behaviours and outcomes may rise while others are eliminated (Van Lange & Balliet, 2015). This means that interdependence does not concern the outcomes that result from the combinations of behaviour only, but it also regards the prospective future behaviours and outcomes that may emerge or be eliminated as a result of interaction (Rusbult & Van Lange, 2003; Van Lange & Rusbult, 2012). Another important dimension is the information availability. Since insufficient information may lead to confusion (Rusbult & Van Lange, 2003), this dimension is all about whether the interacting partners have the information regarding the impact of their actions on their outcomes, and whether they have the information regarding the motives behind their course of actions, and whether they have the information regarding the consequence of their course of actions (Van Lange & Balliet, 2015; Van Lange & Rusbult, 2012).

The other assumption is the principle of transformation. The principle of transformation explains about a psychological process that deals with the consequences of an individual's and other's behaviour in terms of outcomes, and immediate and future consequences (Van Lange & Balliet, 2015; Van Lange & Rusbult, 2012; Van Lange, 2012). Interdependence theory tells that socially interdependent decisions can be made by individuals who change given preferences into effective preferences (Van Lange & Balliet, 2015; Van Lange & Joireman, 2008). This is a transformation of motivation whereby partners' individual preferences are relinquished to adopt a broader preference (may be strategic and long-term) that takes into consideration the partner's preferences (Agnew, Van Lange, Rusbult, & Langston, 1998; Van Lange, De Cremer, Van Dijk, & Van Vugt, 2007; Van Lange, 2012). Transformation is facilitated by several orientations such as cooperation that seeks to maximise joint outcomes; equality (egalitarianism) that seeks to minimise the disparity between own and others' outcomes; altruism that seeks to maximise others' well-being; competition whose aim is to maximise the disparity between own and others' outcomes; individualism that intends to maximise own outcomes; and aggression that seeks to minimise others' outcomes (Van Lange, De Cremer, Van Dijk, & Van Vugt, 2007; Van Lange, 2012; Van Lange & Balliet, 2015; Van Lange & Joireman, 2008; Balliet, Mulder, & Van Lange, 2011). The principle of interaction suggests that interaction between two individuals cannot happen unless there is a situation. Through a situation, motives, cognitions, and affects of the individuals are activated and thereafter, based on mutual behavioural responses they interact with (Van Lange & Balliet, 2015; Van Lange & Rusbult, 2012; Van Lange, 2012). Also, among the basic assumptions of this theory, is the principle of adaptation. This principle states that once the interactions are repeated, adaptations in terms of stable orientations emerge, and thereafter transformations are adopted. Adaptation is probabilistic, and is therefore a process that occurs when frequent experiences in situations with similar structure lead to positive outcomes (Van Lange & Balliet, 2015; Van Lange & Rusbult, 2012; Van Lange, 2012). Based on the interdependence theory, the study discovered that organisations such as SMEs need to partner with potential business actors in order to create a sense of interdependence that benefits both players. The study therefore aimed to link various interdependence strategies with SME performance.

2.10.1 Interdependence in SMEs

Interdependence among SMEs is essential for fostering business success. It can be interpreted in terms of networks, alliances, virtual teams, and any formal or informal relationships intending to create mutual benefits. Interdependence among SMEs is of paramount importance (Širec & Bradač, 2009). SMEs that are interdependent are the ones whose characteristics complement one another (Potočan & Mulej, 2009). They can be those SMEs in similar geographical concentrations, industry, business specialisation, and supply chain (Jankowska, Götz, &

Główka, 2017). Interdependence should involve all players within SMES. These include owners/managers, employees, and any other important stakeholders (Potočan & Mulej, 2009). They can create interdependence on innovation teams (Potočan & Mulej, 2009) or any form of collaboration that allows SMEs to benefit from joint actions (Jankowska, Götz, & Główka, 2017). Successful SMEs, whose owners/managers are intrinsically motivated, rely heavily on both formal and informal collaborations (Martin, Romero, & Wegner, 2018). Research confirms the role these interdependence forms play in SME development. Networking, collaborations, and strategic alliances among SMEs influence competitiveness (Turyakira & Mbidde, 2015). These collaborations enable SMEs develop skills and business capabilities (Jankowska, Götz, & Główka, 2017), and encourage resource and knowledge-sharing (De Clercq, Dimov, & Thongpapanl, 2015; Liu & Yang, 2018; Jankowska, Götz, & Główka, 2017). SME competitiveness can also be realised by the usage of virtual teams (Ebrahim, Ahmed, & Taha, 2010) or through various relationships with key SME stakeholders including firms, customers, and other institutions (Blankson, Cowan, & Darley, 2018). Informal relationships form a strong organisation culture that paves way for SME owners/managers to take risks (De Clercq, Dimov, & Thongpapanl, 2015). Most of the major challenges faced by SMEs can be addressed through interdependences (De Clercq, Dimov, & Thongpapanl, 2015). This can be influenced by gathering of marketing intelligence (Blankson, Cowan, & Darley, 2018), and effective usage of business network resources (Škarpová & Grosová, 2015; Liu & Yang, 2018).

When SMEs depend on one another, they try to link their values, culture, ethics, and norms (Potočan & Mulej, 2009). Mutual trust and commitment creates successful networking. Through these networks, other new relationships are created, and ultimately influence business growth (Turyakira & Mbidde, 2015). Trust without rewards is meaningless (Chinomona & Cheng, 2013). In SMEs, trust fosters inter-firm collaboration (Martin, Romero, & Wegner, 2018) and effective relationships (Chinomona & Cheng, 2013). The size of the network defines the level of formalisation and trust (Gardet & Mothe, 2012). Research tells that trust and social interaction influence knowledge-sharing. Knowledge-sharing accelerates interdependence (De Clercq, Dimov, & Thongpapanl, 2015). In turn, the created interdependence among SMEs facilitates business practices such as marketing operations (Blankson, Cowan, & Darley, 2018). Business operations depend on the availability of resources. In order to address this challenge, SMEs decide to forge relationships in order to acquire network resources (Liu & Yang, 2018) such as innovation skills or qualified workers. In this regard, the education level and the risk appetite of the owners/managers influence both formal and informal collaborations (Martin, Romero, & Wegner, 2018). Apart from the interdependence theory, the social network theory is also used to get insights about the entrepreneurial strategies (networking).

2.11 Social Network Theory

The theory deals with the concept of relationships and interaction of members of the network (Surin, Halil, & Edward, 2015). A network is a formation of relationships and their characteristics (Kadushin, 2012). Networks contain and define relationships that exist between people such as friends, family, customers, and suppliers, and between groups or organisations from both the public and private sectors (Vargas-Hernández, 2013). One of the major properties of networks is intensity. This characterises the strengths of the tie between members of the network (Tichy, Tushman, & Fombrun, 1979). Intensity can broadly be defined in terms of duration of the bond among individuals, intimacy level, and meeting frequency (Ge, Hisrich, & Dong, 2009; Maina, Marwa, Waiguchu, & Riro, 2016a). Another property is the network range. This can be described in terms of the connecting scope of an enterprise. It tells about the connections that have been established outside of the firm. The relationships can be between the firm and 'outsiders' such as research institutions, government, rivals, suppliers, customers, and any other potential organisation (Ge, Hisrich, & Dong, 2009; Maina, Marwa, Waiguchu, & Riro, 2016a). The tie between individuals is influenced by several factors. Their connectedness can be influenced by their geographical locations (propinquity), similarities in characteristics (homophily), and ability to exchange ideas, information, products, power, and expression of affect (Tichy, Tushman, & Fombrun, 1979) in order to attain mutual benefits (dyads and mutuality) particularly between organisations than individuals (Kadushin, 2012).

Trust plays a vital role in sustaining the social network. Trust is built by frequent interactions, and sharing of resources among members of the social network (Surin, Halil, & Edward, 2015). Networks enable members to access and circulate information and share ideas (Vargas-Hernández, 2013). Therefore, through social networks, information flow (particularly the private information) is simplified (Zafar, Yasin, & Ijaz, 2012; Stuart & Sorenson, 2005). Entrepreneurs for example, establish contact with people inside their firms as well as those who are outside through the use of networks. They also use networks to access information, resources, tacit knowledge, markets, diverse skills, power, and opportunities such as collaborations, and innovations that are crucial to the success of their companies (Memon, 2016; Zafar, Yasin, & Ijaz, 2012; Oprica, 2013; McGrath & O'Toole, 2011; Stuart & Sorenson, 2005). Most of these companies particularly the small businesses were created by the help of networks. This is because; social networks act as a bridge to foster entrepreneurial intentions among individuals (Zafar, Yasin, & Ijaz, 2012; Vargas-Hernández, 2013). Most of the challenges facing SMEs such as inability to access resources, skills, and information can be addressed by networking particularly the use of social networks. For example, SMEs can use these networks to address knowledge gaps, acquire resources such as manpower, financial capital, and access information needed to exploit opportunities in their business environment, and ultimately

achieve greater performance and competitiveness (Ge, Hisrich, & Dong, 2009). In this regard, the study sought to establish the relationship existing between various networking strategies and SME performance.

2.11.1 Networking in SMEs

There is enough evidence that suggests a positive relationship between networks and SME growth (Martins, 2016). The SME growth is mainly contributed to by networks that are informal (Lawal, Adegbuyi, Iyiola, Ayoade, & Taiwo, 2018). An informal networking can be regarded as a marketing approach in SMEs (Sharafizad & Coetzer, 2017). Therefore, SMEs need to put great emphasis on informal networking relationships since they are useful in accessing business opportunities (Lawal, Adegbuyi, Iyiola, Ayoade, & Taiwo, 2018). These relationships are enhanced by entrepreneurial orientation (Martins, 2016). Nevertheless, entrepreneurial orientation is significantly influenced by social capital (Wimba, Budhi, Yasa, & Saskara, 2015). In SMEs, informal relationships are more likely to characterise collaboration than formal ones (Iriani, 2013). SMEs realise benefits if they establish long-term network relationships with strategic players (Milovanović, Primorac, & Kozina, 2016). Strategic partners are those that contribute to the success of business (Sharafizad & Coetzer, 2017) by assisting SMEs to make informed decisions (Priyanath & Premaratne, 2015). These relationships are characterised by acts, norms, values, mutual benefits, and trust (Wimba, Budhi, Yasa, & Saskara, 2015). Interpersonal trust is a critical tool in accessing information and is regarded as a worthier asset than other business assets. Trustworthy members are willing to sacrifice their valuable resources in order to benefit from one another (Priyanath & Premaratne, 2015). The motive behind these collaborations is to attain mutual benefits. This is why a relationship that is not reciprocal does not influence collaborations (Iriani, 2013). In this regard, SME owners/managers need to get involved in strategic networks in order to foster competitive advantage (Naudé, Zaefarian, Tavani, Neghabi, & Zaefarian, 2014). An SME's competitive advantage is realised when its operations reflect innovation, risk-taking initiatives, and market opportunities (Milovanović, Primorac, & Kozina, 2016).

Social networks can be created through the interaction of family members, friends, members of religious or any other social communities, professional groups, and business customers, suppliers, lenders, and regulatory bodies (Priyanath & Premaratne, 2015; Oke, 2013; Sharafizad & Coetzer, 2017). As mentioned earlier, social networks impact SME performance (Oke, 2013). This is because; social networks or informal networks enable SMEs to access valuable business information, markets, and opportunities to interact with key business stakeholders such as customers and suppliers (Lawal, Adegbuyi, Iyiola, Ayoade, & Taiwo, 2018; Oke, 2013; Priyanath & Premaratne, 2018; Sharafizad & Coetzer, 2017). These interactions take place whenever there is an opportunity to do so. For example, SMEs can access information through

social events (Priyanath & Premaratne, 2015). That is why they are willing to attend social events that are likely to benefit their business (Sharafizad & Coetzer, 2017). They can also access valuable information through research. However, research is mainly carried during the start-up phase of an SME (Sharafizad & Coetzer, 2017). Nevertheless, during this phase, the highly preferred advice comes from family members and friends (Peltier & Naidu, 2012). However, networking greatly continues even after the start-up stage (Martins, 2016). Social networks depend on individuals as mediating resources (Iriani, 2013). SMEs need to establish a large number of network ties (Sullivan & Marvel, 2011). The main goal should be to develop trustful relationships (Gausdal, 2015) that are limited to trustworthy members (Sharafizad & Coetzer, 2017). This is because; SMEs need to create every sort of benefiting business network (Torkkeli, Kuivalainen, Saarenketo, & Puumalainen, 2016). That is why they believe that it is not worthy to concentrate on actors that provide no any mutual benefit (Sharafizad & Coetzer, 2017). This provides enough evidence to conclude that SMEs with weaker social identities are likely to underperform (Peltier & Naidu, 2012).

2.12 Chapter Summary

The theoretical development has become a foundation in developing the entrepreneurial strategies used in this study. Each theory or model or perspective has been explained and linked with the SME practices in order to get insights about the realistic entrepreneurial strategies that can be used to advance SME performance. The two theories: the componential theory of creativity, and the diffusion of innovation theory have been explained and their practicability in SMEs has also been discussed. The aim is to understand and develop the basis of innovation strategies in SMEs. The other two theories: the enterprise risk management and the transaction cost theory or economics have been explained and their practicability in SMEs has also been discussed. The aim is to understand and develop the basis of risk-taking strategies in SMEs. There are also two theories: the marketing mix theory, and the resource-based view perspective. The theories have been explained and their practicability in SMEs has also been discussed. The aim is to understand and develop the basis of marketing strategies in SMEs. Additionally, through the resource-based view perspective, the study highlights the importance of firm resources in supporting the execution of entrepreneurial strategies in SMEs. The other two theories: organisational knowledge creation theory, and the knowledge-based view have been explained and their practicability in SMEs has also been discussed. The aim is to understand and develop the basis of knowledge management strategies in SMEs. The chapter explains about the other two theories as well: the interdependence theory, and the social network theory. The practicability of these theories in SMEs has also been discussed. The aim is to understand and develop the basis of networking strategies in SMEs.

CHAPTER THREE

CONCEPTUAL AND EMPIRICAL DEVELOPMENT

3.1 Introduction

In this chapter, various entrepreneurial strategies in bakeries are expounded. These include innovation strategies. In this category, the chapter discusses three strategies. These are the enhanced innovation process in bakeries, customer-focused innovation in bakeries, and the enhanced innovation environment in bakeries. The other entrepreneurial strategies expounded in this chapter are the risk-taking strategies. In this category, three strategies are discussed. These are the risk planning in bakeries, risk controlling in bakeries, and strategic risk initiatives in bakeries. Additionally, the chapter expounds the marketing strategies in bakeries. They include the product strategies, pricing strategies, distribution strategies, and the promotion strategies. The chapter expounds the knowledge management strategies in bakeries as well. These include knowledge creation strategies, knowledge sharing strategies, and knowledge utilisation strategies. Networking strategies in bakeries are also expounded. They include network formation strategies, network intensity strategies, and interdependence strategies. Nevertheless, this chapter discusses the relationship between each of the entrepreneurial strategies: innovation, risk-taking, marketing, knowledge management, and networking, and SME performance. Additionally, SME performance indicators, moderator variables, and the conceptual framework have been highlighted in this chapter.

3.2 Entrepreneurial Strategies in Bakeries: Innovation

These are categorised as enhanced innovation process, customer-focused innovation, and enhanced innovation environment.

3.2.1 Enhanced Innovation Process in Bakeries

SME owners/managers need to critically assess the link between their innovation practices with business strategy and operating environment (Palmer, Wright, & Powers, 2001). For about quarter a century, the advice given to bakeries has dwelt on their need to develop capabilities in order to manage operations through development of cross-functional teams. This advice has consistently urged bakeries to improve process-improvement skills. The skills involve capabilities in capturing of data regarding consumer behaviours and trends, as well as information on rivals. The advice given has also concentrated on the need to develop effective and efficient costing systems (Darling & Davis, 1994). SMEs strive to develop and manage production processes that enhance cost reduction in order to attain price competitiveness. Cost reduction strategies facilitate the relationship between process innovations and SME performance. Cost reduction strategies translated by process innovations should focus on enabling the bakery to attain price competitiveness and reputation (Palmer, Wright, & Powers,

2001). Food enterprises dwell more on product and process innovations (Matopoulos & Vlachopoulou, 2008). Bakeries need to understand that the diffusion of innovation depends on imitation process (Garzia, 2017). Literature confirms that bakery products can easily be imitated (Kim, 2015). That is why most of the food companies link innovation with product development initiatives, and research activities (Matopoulos & Vlachopoulou, 2008). Given this scenario, SMEs need to concentrate on product improvement in order to attain competitive advantage (Palmer, Wright, & Powers, 2001). Bakeries need to attain greater performance and competitiveness by introducing new product attributes (Sulistiyani, 2017). Bakeries need to concentrate on improving their products so that they can attain longer shelf life (Martínez-Monzó, García-Segovia, & Albors-Garrigos, 2013). One way of guaranteeing longer shelf life is through innovative packaging. An effective packaging such as custom-made packaging in bakeries also facilitates smooth distribution of bakery products (White & Hall, 2013). Bakery products need packaging variation in order to compete (Martínez-Monzó, García-Segovia, & Albors-Garrigos, 2013). By focusing on packaging variation, and creativity and utilisation of creative ideas on other innovation matters, bakeries are likely to influence their growth (Sulistiyani, 2017).

There is evidence showing bakeries adopting quality management practices. The quality management practices in bakeries include control of strategy, resource management and planning, production management, and supply chain management (Van Der Spiegel, Luning, De Boer, Ziggers, & Jongen, 2006). Quality management practices are the main sources of survival in bakeries (Kim, 2015). Commitment to quality management practices results into innovative bakery products (White & Hall, 2013). Effective quality management practices are reflected in significant production quality, and they reduce the rate of rejected bakery products, and complaints about quality and availability of bakery products (Van Der Spiegel, Luning, De Boer, Ziggers, & Jongen, 2006). Quality management practices and innovation should be highly emphasised in order to compete (Stowe & Grider, 2014). Bakeries that adopt a differentiation strategy intertwined with quality management initiatives realise great competitiveness (Palmer, Wright, & Powers, 2001). Generally, in order to attain competitiveness, bakeries need more information related to production quality (Van Der Spiegel, Luning, De Boer, Ziggers, & Jongen, 2006). Production quality is linked with production processes. Production processes in bakeries entail flexibility in effecting changes and entail the use of advanced technological tools such as modern baking ovens, and electronic mixers (Nwewi, Onwuka, & Ogbotubo, 2017). A bakery should understand that when other bakeries adopt a new technology and continue using it, there is evidence that the technology is of paramount significance and it should be adopted (Garzia, 2017). For example, consumer preferences have shifted to healthy products. This preference has forced bakeries to develop production processes and techniques that satisfy these

needs (Martínez-Monzó, García-Segovia, & Albors-Garrigos, 2013). That is why bakeries may need to adopt innovation strategies that seek to institute differentiation such as modifying the main ingredients of bakery products (Zulkarnain, Wahyuningtias, & Putranto, 2018). For example, the production of bakery products involves the use of fats and oils as one of their key materials and ingredients. In this regard, firms that strive to adopt effective cost reduction strategies may prefer using fat substitutes when developing their products (Rios, Pessanha, Almeida, Viana, & Lannes, 2014). Product improvement is a key innovation strategy that influences SME performance (Palmer, Wright, & Powers, 2001). Apart from the enhanced innovation process, the customer-focused innovation is also part of the innovation strategies in bakeries.

3.2.2 Customer-Focused Innovation in Bakeries

Food companies should first seek to understand information on customer preferences before adopting a new technology (Nguyen & Nguyen, 2013). The motive behind any innovative practices adopted by bakeries should be value creation (Nwewi, Onwuka, & Ogbotubo, 2017). Food enterprises should seek to adopt innovation strategies that drive value (Matopoulos & Vlachopoulou, 2008). In order to confront stiff competition, and absorb changing customer preferences, bakeries need to concentrate in developing products with peculiar features that are able to withstand the pressures in the market (Jabłońska-Porzuczek & Smoluk-Sikorska, 2016). Understanding customer preferences and changing needs, as well as strengths and weaknesses of rivals should be the prime objective of bakeries that seek to increase their sales performance (Sulistiyani, 2017). The objective of effective innovation practices facilitated by technology in bakeries should allow the consumer to comprehend the concept of innovative products (Martínez-Monzó, García-Segovia, & Albors-Garrigos, 2013). Effective innovative practices in bakeries should be able to institute product differentiation (Nwewi, Onwuka, & Ogbotubo, 2017). Bakeries can attain competitiveness through taste variation (Sulistiyani, 2017). Food enterprises that seek to attain competitiveness need to develop products whose characteristics such as taste, milky and creamy appearance, and smoothness are on the preference list of consumers (Rios, Pessanha, Almeida, Viana, & Lannes, 2014). For example, customers have now shifted their interest on quality bakery products particularly those considering health issues and trends (Garzia, 2017). One of the innovative strategies is to develop products that seek to satisfy the growing needs of customers to consume products rich in nutrition value (Martínez-Monzó, García-Segovia, & Albors-Garrigos, 2013). For example, enterprises can develop capabilities in order to develop low fat products that reduce overweight or obesity (Rios, Pessanha, Almeida, Viana, & Lannes, 2014) and take greater consideration of customers with special health concerns such as allergies or celiac disease (Martínez-Monzó, García-Segovia, &

Albors-Garrigos, 2013). Apart from the customer-focused innovation, the enhanced innovation environment is also part of the innovation strategies in bakeries.

3.2.3 Enhanced Innovation Environment in Bakeries

Firms need to promote practices that influence organisational development (Stowe & Grider, 2014). Through function coordination, bakeries are likely to realise competitiveness (Sulistiyani, 2017). In that regard, employees should be given opportunities to assess their performances in order to develop more knowledgeable teams (White & Hall, 2013). Firms need to encourage their workforce to generate creative ideas in order to improve innovation and performance (Stowe & Grider, 2014). For decades, bakeries have been advised to train their workforce to understand the preferences of their customers, to be able to analyse the performance trend, and develop capabilities in coordinating operations (Darling & Davis, 1994). Today, effective innovation practices in bakeries cannot be achieved unless the workforce is empowered through the provision of necessary training, attractive compensation scheme, as well as employing skilled workforce (Nwewi, Onwuka, & Ogbotubo, 2017). Firms need to foster motivation among leaders through enhanced working environment that is translated by positive compensation schemes and reduced employee turnover. Effective innovative practices foster innovative working environment (Stowe & Grider, 2014). For decades, bakery capabilities have been seen in exploitation of various opportunities from the business environment (Darling & Davis, 1994). Bakery competitiveness is also influenced by efforts in exploring new inspiration (Sulistiyani, 2017). In order to realise effective product development and innovation strategies, there should be a process that integrates ideas from all employees in order to combat frustration among the workforce. Firms can also facilitate the interaction of their workforce with external practitioners in order to stimulate fresh ideas (Stowe & Grider, 2014). The integration of ideas from the entire workforce should also include the front line workers. Front line employees are critical in influencing the performance of bakeries. Bakeries need to trust and have confidence in decisions made by front line employees. These bakery front line employees need to be given responsibilities that ultimately increase their motivation (Darling & Davis, 1994). Apart from the innovation strategies, the risk-taking strategies are also part of the entrepreneurial strategies in bakeries.

3.3 Entrepreneurial Strategies in Bakeries: Risk-taking

These are categorised as risk planning, risk controlling, and strategic risk initiatives.

3.3.1 Risk Planning in Bakeries

Bakeries also face risks associated with planning and growth (Sum & Mahussin, 2017). Bakeries and all related enterprises need to establish their target markets before embarking on business operations in order to guarantee success and growth (Louw, Troskie, & Geyser, 2013).

Food enterprises need capabilities to forecast market needs as a crucial way of satisfying their customer needs (Cantaleano, Rodrigues, & Martins, 2018). In order to mitigate risks, contingency plan is essential (Ariyanti & Andika, 2016). However, bakery owners/managers are highly involved in the development process of strategic plans than other employees (Mithwani, 2015). On the other hand, large bakeries employ production plan, and act as the basis for improving their long-term plan. On the contrary, small bakeries' plans are based on experience (Van Der Spiegel, Luning, De Boer, Ziggers, & Jongen, 2005). In this regard, bakeries need to train their staff on matters pertaining to food chain in order to increase their competitive advantages and performance (Marques, Matias, Teixeira, & Brojo, 2012). However, training on risk awareness and mitigation is done at a lesser extent in bakeries (Alexopoulos, Kavadi, Bakoyannis, & Papantonopoulos, 2009). Also, bakeries and other related enterprises lack the necessary knowledge and capabilities in managing key business operations such as cash flow management, executing effective pricing strategies, and mitigating risks (Louw, Troskie, & Geyser, 2013). These could be risks associated with demand, raw materials, and recession (Ariyanti & Andika, 2016). Bakeries do as well meet a variety of risks related to ergonomics, hygiene, machinery, and logistics (Alexopoulos, Kavadi, Bakoyannis, & Papantonopoulos, 2009). Bakeries also face financial, operational, and strategic risks. They also face risks associated with planning, sustainability and the workforce (Sum & Mahussin, 2017). There are also work-related risks in bakeries which are mainly influenced by managing big load, temperatures, noise, stress, and highly demanding and time consuming tasks (Alexopoulos, Kavadi, Bakoyannis, & Papantonopoulos, 2009). These risks negatively affect cost management especially the rising costs of raw materials, logistics, and costs related to machinery. Also, risks in bakeries negatively affect production output level, and revenues (Sum & Mahussin, 2017). However, a lot of challenges facing bakeries such as poor sales revenues, profitability, and productivity are to a great extent happening in bakeries with a single owner and family-owned bakeries as well (Náglová & Horáková, 2017). In most cases, this type of ownership is likely to happen in small bakeries with a small workforce size. That is why planning in bakeries with many employees is much effective and efficient than bakeries with small size of workforce (Van Der Spiegel, Luning, De Boer, Ziggers, & Jongen, 2005). Therefore, governance and its effective structures are crucial in the management and performance of SMEs (Chibanda, Ortmann, & Lyne, 2009). Apart from risk planning, risk controlling is also part of the risk-taking strategies in bakeries.

3.3.2 Risk Controlling in Bakeries

To a great extent, bakery products are subject to various forms of spoilage (Smith, Daifas, El-Khoury, Koukoutsis, & El-Khoury, 2004). The sources of spoilage could be bacteria and fungi (Pundir & Jain, 2011). This is part of microbiological spoilage. Also, bakery products face

physical and chemical spoilage (Smith, Daifas, El-Khoury, Koukoutsis, & El-Khoury, 2004). Bakeries need to employ modern technology in the production of safe and healthy bakery products (Marques, Matias, Teixeira, & Brojo, 2012). However, to a great extent, small bakeries employ production processes that are handled by non automated systems (Náglová & Horáková, 2017). These systems reflect the working environment. In order to achieve greater performance, bakeries need to improve the working conditions for their workforce (Rocha, Oliveira, Campos, Oliveira, & Saldanha, 2009). Most of the operational risks in bakeries are associated with failures in machinery especially the flour- kneading machine (Sum & Mahussin, 2017). The regular regulation of machinery and other equipment in bakeries enhances employee's security (Rocha, Oliveira, Campos, Oliveira, & Saldanha, 2009). Bakeries can mitigate work-related risks through effective management of machinery to avoid accidents, enhance the physical working environment, and train the workforce regarding risk exposure and mitigation techniques (Aguwa & Arinze-Onyia, 2014). The improvement of the working conditions will address most of the ergonomic risks (Rocha, Oliveira, Campos, Oliveira, & Saldanha, 2009).

Most of the strategic risks in bakeries are associated with failures in planning (Sum & Mahussin, 2017). There are also strategic risks that are associated with reputation of the bakery that occur particularly when customers' complaints are not handled appropriately. Most of these complaints regard product hygiene and texture (Sum & Mahussin, 2017). One of the direct ways of handling these complaints is compliance with industry standards. Through compliance, there will be an assurance of health and safety in bakeries (Alexopoulos, Kavadi, Bakoyannis, & Papantonopoulos, 2009). Compliance and the execution of other business objectives involve resources particularly funding. Bakeries need financial resources in order to influence growth. However, they lack adequate finance to execute business objectives. This is mainly caused by their poor financial management practices. Bakery owners/managers lack necessary cash flow management skills (Sum & Mahussin, 2017). Business continuity requires financial resources. One of the financial resources is loan. Accessing loans enables SMEs to expand their businesses and attract more customers (Mohamad, Rizal, Quoquab, Juhdi, & Sahimi, 2015). On the other hand, financial risk in bakeries is associated with unanticipated changes in price of products and materials (Sum & Mahussin, 2017). Bakeries face increased costs of materials and power and in turn jeopardise their growth (Nwanya, 2015). Bakeries and other related businesses need to develop their capabilities in cost management, cash flow management, and in acquiring and utilising knowledge in managing bakery operations (Louw, Troskie, & Geyser, 2013). Efficiency in bakeries can be influenced by the management's decision to reduce and manage both production and operation costs. A viable strategy to attain this objective is outsourcing (Oluchi & Nome, 2017). Another way of mitigating financial risk in bakeries has been to increase product price. This strategy is however endangering business performance as it tends to

influence sales reduction (Sum & Mahussin, 2017). Sales performance is also related to demand management. In order to address risks associated with demand, customer relationship management strategies need to be instituted in order to acquire information that is used in foreseeing customer needs and in planning future operations (Ariyanti & Andika, 2016). In order to attract potential customers, retain them, and achieve competitive advantages, bakeries need to develop and offer more innovative product choices (Fejza, Ismajli, & Misini, 2013). For example, the customer preference in bakery products is primarily influenced by the dynamic trend in the promotion of nutritional and health products (Brodowska, Guzek, & Wierzbicka, 2014). Nevertheless, in order to address various risks, the adoption of an Enterprise Risk Management is inevitable (Ariyanti & Andika, 2016). Bakeries need to institute effective risk control strategies and be ready to share information among their staff about potential risks and their respective mitigation techniques (Alexopoulos, Kavadi, Bakoyannis, & Papantonopoulos, 2009). Apart from the risk controlling, the strategic risk initiatives are also part of the risk-taking strategies in bakeries.

3.3.3 Strategic Risk Initiatives in Bakeries

Innovations can be attained by enterprises that are willing to take risks and adopt a proactive position towards competition (Cantaleano, Rodrigues, & Martins, 2018). Bakeries still face challenges in carrying out market research particularly the competitor diagnosis (Fejza, Ismajli, & Misini, 2013). Bakeries need to analyse both internal and external environment, key success factors, and strategies to improve their performance. They need to identify risks, and carry out assessment of their performance (Oleiniuc, 2012). In order to mitigate these challenges, bakeries need to manage rivalry, and develop a variety of bakery products, and enhance effective distribution systems (Sum & Mahussin, 2017). Relationship with reliable and sustainable suppliers needs to be enhanced (Ariyanti & Andika, 2016). In order to realise growth, SMEs need to network with their suppliers and other important business stakeholders (Mokhtar, 2013). They need to evaluate the performance of these networks on regular basis. However, assessment in small bakeries mainly takes the attention of production output level unlike large bakeries whose assessment takes consideration of various factors such as market analysis, and certification (Van Der Spiegel, Luning, De Boer, Ziggers, & Jongen, 2005). Also, rivalry among bakeries is based on pricing strategy than product quality (Fejza, Ismajli, & Misini, 2013). However, risk evaluation in supply chain needs to consider efficiency, quality, safety, and sustainability (Septiani & Astuti, 2017). Unlike larger bakeries, small-sized bakeries do not concentrate to a great extent on employing effective assessment techniques for improving their performance. What smaller bakeries do is to carry out assessment by supervision unlike larger ones which assess product quality and processes involved (Van Der Spiegel, Luning, De Boer, Ziggers, & Jongen, 2005). Nevertheless, most of the bakery managers who have experience

with various risks characterise risk in terms of the frequency of hazard and its consequences (Alexopoulos, Kavadi, Bakoyannis, & Papantonopoulos, 2009). But bakeries face challenges in planning and ensuring continuity after the occurrence of hazards such as theft, blaze, accident or natural calamity damaging bakery assets (Sum & Mahussin, 2017). However, bakeries need to design mechanisms that improve working conditions and address challenges related to product quality, production processes and output, accidents, and work-related illness (Rocha, Oliveira, Campos, Oliveira, & Saldanha, 2009). In order to effectively design these mechanisms, bakeries need the support and commitment of owners/managers and the respective governance structures (Mithwani, 2015). Apart from the risk-taking strategies, the marketing strategies are also part of the entrepreneurial strategies in bakeries.

3.4 Entrepreneurial Strategies in Bakeries: Marketing

These are categorised as product, pricing, distribution, and promotion strategies.

3.4.1 Product Strategies in Bakeries

Bakery products need to be improved to influence sales (Kiumarsi, Jayaraman, Isa, & Varastegani, 2014). Bakeries may provide a broad variety of attractive products in order to strengthen their capabilities and competitiveness (Kiumarsi, Jayaraman, Isa, & Varastegani, 2014). Product variations and innovative bakery products meet customer interests and demand (Huang, Lee, & Kess, 2015). Product development should focus on adding and/or modifying forms, appearance, and quality (Jovanov-Marjanova, Davcev, & Boeva, 2016). Bakery customers prefer improved packaging, freshness, and quality products (Jamnani & Daddikar, 2015). Bakeries can attain competitive advantage through taste choices, and appealing packaging (Sulistiyani, 2017). Packaging plays a vital role in influencing competitiveness of bakery products. The packaging design needs to be eye-catching with both appealing design and labelling in order to influence new customers (Kiumarsi, Jayaraman, Isa, & Varastegani, 2014; Hassan, 2012). Bakeries need to concentrate on changing the taste of their products in relation to the changing needs of customers (Vutete & Bobo, 2015). Bakeries can also customise their products based on seasonality in order to foster competitiveness (Huang, Lee, & Kess, 2015). Also, due to health concerns, bakeries need to add more dietary products with various micronutrients (Markhayeva, 2016). This is because; bakery products that have attractive packaging, and have accommodated health concerns such as the level of sugar, cholesterol, and fibre are the major sources of revenue (Kiumarsi, Jayaraman, Isa, & Varastegani, 2014). Nevertheless, bakeries need to consider safety standards such as timely replacement of expired products (Jamnani & Daddikar, 2015). Unless quality is certain, many consumers will not purchase bakery products (Wu, Lu, Tan, Yang, & Cheng, 2016).

Before making purchase decisions, customers consider freshness, quality, and appearance of bakery products (Skořepa & Pícha, 2016; Hasri & Azmi, 2016). Therefore, the quality of bakery products should be defined by the raw materials used, production environment, and the respective equipment needed in the production of bakery products (Kiumarsi, Jayaraman, Isa, & Varastegani, 2014). However, the contrast between technologies used in producing bakery products cannot be understood easily by customers who want to make an informed purchase decision. For example, there is evidence that the bread making technologies such as yeast and rye leaven could not be easily contrasted by purchase decision makers (Skořepa & Pícha, 2016). In this regard, understanding customers needs to be a major task in bakeries. Bakeries can learn on how to competitively serve different groups of customers such as low and middle income customers while considering factors such as quality and price (Kiumarsi, Jayaraman, Isa, & Varastegani, 2014). Variation in products and prices are critical in satisfying customer choices (Hassan, 2012). For example, most of the bakery customers tend to taste new products (Grujić & Grujčić, 2016) and their choices lie in the enhancement of ingredients used in producing bakery products (Grujić & Grujčić, 2016; Vutete & Bobo, 2015). They have been developing interest in consuming nutritional and healthy diet (Grujić & Grujčić, 2016). In this regard, SME bakeries should design strategies that manage costs, influence profit, and facilitate the design of tasty, quality, and value-added bakery products (Kiumarsi, Jayaraman, Isa, & Varastegani, 2014).

Bakeries need to acquire information about customer preferences, rival's capabilities, and how to effectively coordinate operations (Sulistiyani, 2017). In order to enhance product characteristics such as flavour and taste, bakeries need to conduct research (Siregar & Toha, 2012). Through research, bakeries can understand trends in customer preferences. For example, the changing eating habits are likely to influence the size of bakery products such as bread (Skořepa & Pícha, 2016). For decades, the bread market has significantly become relevant in the food sector (Lassaut & Sylvander, 1997). Bread is the most purchased product in bakeries (Moslehpour, Aulia, & Masarie, 2015; Jamnani & Daddikar, 2015). Whether it is interest in white bread, wheat bread (Haidi & Wandebori, 2016), or multigrain breads, and dietary fibres (Grujić & Grujčić, 2016), bakeries need to understand attitudes and preferences of each type of customers. There are for example, customers who prefer low price irrespective of quality while others demand high quality at a competitive price (Kiumarsi, Jayaraman, Isa, & Varastegani, 2014). Generally, customer interests and preferences are influenced by reasonable price and creative product features such as taste, smell, texture, and appearance (Moslehpour, Aulia, & Masarie, 2015). The innovative product characteristics preceded by idea generation is the source of competitiveness of bakery products and performance of bakeries (Sulistiyani, 2017). Apart

from the product strategies, the pricing strategies are also part of the marketing strategies in bakeries.

3.4.2 Pricing Strategies in Bakeries

The major factor for product choice in bakeries is price (Skořepa & Pícha, 2016). Most of the bakery customers need reasonable prices (Moslehpour, Aulia, & Masarie, 2015; Jamnani & Daddikar, 2015). The prices of bakery products are the major factor in purchase decisions (Renko, Sustic, & Butigan, 2011). Provided the bakery products are of required standards, customers' consideration of pricing in purchase decision is higher than their interest in physical environment (Moslehpour, Aulia, & Masarie, 2015). However, greater price consideration in their purchase decisions is significantly influenced by increasing age of customers. This consideration dwindles as customer's income rises (Skořepa & Pícha, 2016). Therefore, effective pricing strategies encourage more price choices (Wu, Lu, Tan, Yang, & Cheng, 2016). In order to increase the competitive advantage of a bakery, there should be variation in prices (Sulistiyani, 2017). This variation should aim at setting prices in accordance with different forms of bakery products in order to accommodate different types of customers with their respective preferences (Wu, Lu, Tan, Yang, & Cheng, 2016). In bakeries, both product features and prices are relevant in influencing competitiveness (Moslehpour, Aulia, & Masarie, 2015). Some of the pricing strategies that encourage sales in bakeries include offering of discounts (Siregar & Toha, 2012). There is strong evidence suggesting that discounts influence customers to purchase more bakery products (Vutete & Bobo, 2015). However, price determination entails the consideration of several factors such as price objectives, cost, competition, and relevant policies (Jovanov-Marjanova, Davcev, & Boeva, 2016). Apart from the pricing strategies, the distribution strategies are also part of the marketing strategies in bakeries.

3.4.3 Distribution Strategies in Bakeries

Bakeries need to design tactics that enhance their accessibility, improve their customer service, and foster positive product delivery systems (Siregar & Toha, 2012). Since bakery products do not differ significantly and bakeries experience a stiff rivalry amongst themselves, critical strategies need to be instituted in order to guarantee the availability of bakery products and effective delivery systems thus ultimately influencing their competitiveness (Renko, Sustic, & Butigan, 2011). Bakeries need to adapt sound delivery systems for their product (Masache & Mangwanya, 2013). Distribution strategies particularly those seeking to increase scope, have a great impact on bakery performance (Sulistiyani, 2017). Bakeries need to increase the distribution coverage in order to influence greater sales (Dahlan, Akbari, Ansari, & Safi, 2017). Decision on business locations should consider the competitive features of the location, and both the characteristics of available stores, and demography (Gauri, Trivedi, & Grewal, 2008).

Store characteristics should include location, parking, and easy accessibility (Hassan, 2012). The availability of bakery products is a critical factor considered by customers in their purchase decisions (Madan, 2017). Effective distribution strategy entails locating bakeries nearby the target customers (Haidi & Wandebori, 2016). There is great evidence confirming that customers favour bakery products that are nearby (Madan, 2017). This is because; an important factor in purchase decision of bakery products is time delivery (Jamnani & Daddikar, 2015). Customers prefer quick service delivery, and both early opening time and late closing time (Hassan, 2012). The availability of products can be influenced by involving more distributors and agents such as supermarkets, and retail stores, and other selling points particularly those located in busy localities (Jovanov-Marjanova, Davcev, & Boeva, 2016). The relationship with agents and other distributors who play a great role in marketing bakery products needs to be enhanced. They need to be motivated to carry out their duties diligently (Dahlan, Akbari, Ansari, & Safi, 2017). Bakeries are advised to develop strategies that will recruit the best agents and other important distributors in order to execute an effective and efficient delivery system of their products (Kiumarsi, Jayaraman, Isa, & Varastegani, 2014). Apart from the distribution strategies, the promotion strategies are also part of the marketing strategies in bakeries.

3.4.4 Promotion Strategies in Bakeries

Promotion techniques in bakeries need to raise awareness of bakery products that add value (Dahlan, Akbari, Ansari, & Safi, 2017). For example, in order to influence customer loyalty, bakeries need to adopt effective baking techniques and strive to build their reputation (Wu, Lu, Tan, Yang, & Cheng, 2016). Promotion strategies should also focus on building the brand of bakery products since customer's decision to purchase is heavily dependent on the strengths of the brand (Madan, 2017). The strengths of the brand depend on the conduct of the workforce. The relationship between bakery management and employees is a valuable asset. Employees are the ones involved in promotion assignments and have a great role to play in creating a positive brand for their bakery. In this regard, bakeries need to motivate them through realistic reward systems, and be ready to increase their skills through frequent trainings (Siregar & Toha, 2012). Through trainings, the workforce is likely to acquire necessary promotion skills in advertising, customer relationship management, and sales promotion. To a great extent, promotion strategies such as sales promotion attract more bakery customers, agents and other distributors (Kiumarsi, Jayaraman, Isa, & Varastegani, 2014). These strategies should also focus on increasing sales by offering competitive prices, and improving product characteristics such as size, flavour, and packaging (Jovanov-Marjanova, Davcev, & Boeva, 2016). Effective sales promotion techniques may also focus on special events and seasons of festivals (Sengupta & Chattopadhyay, 2006). On the other hand, bakeries need to adopt advertising techniques as the means of promoting their businesses. Promotion strategies such as effective advertisement have a direct influence on

bakery growth (Kiumarsi, Jayaraman, Isa, & Varastegani, 2014). Promotion strategies in bakeries may also include advertising in media such as magazine and news bulletin (Siregar & Toha, 2012). Advertising influences bakery customers to make purchase. Advertising particularly through television is a traditional way preferred by most bakery customers (Nemat, 2013).

Bakeries can also promote their products by improving physical evidence tactics such as installation of appealing signage, and store decoration (Sengupta & Chattopadhyay, 2006). Effective physical evidence strategies should also concentrate on product display, hygiene, and required lighting (Haidi & Wandebori, 2016). Through physical evidence, bakeries are able to promote their business by positioning their products and business in the minds of their customers before making an actual purchase (Moslehpour, Aulia, & Masarie, 2015). Nevertheless, promotion can be done through the conduct and service provided by employees. There is evidence showing that customers prefer helpful employees (Hassan, 2012). This is because; one of the most effective promotion techniques in bakeries is developing a strong relationship with customers (Siregar & Toha, 2012). Well served customers repeat purchase and influence other customers and friends to make purchase (Okolo, 2017). Most of the bakery customers get information about bakery products through friends (Wu, Lu, Tan, Yang, & Cheng, 2016). Given this fact, strategies should include building trust between a bakery and its customers. A bakery should strive to ensure that customers regard it as a trusted and reliable service provider by offering their needs and preferences such as healthy products (Haidi & Wandebori, 2016). Bakeries need to enhance their promotion practices by their readiness to handle customer complaints (Jamnani & Daddikar, 2015). Promotion strategies should focus on strengthening communication with customers, and positioning quality products in the minds of customers (Jovanov-Marjanova, Davcev, & Boeva, 2016). Apart from the marketing strategies, the knowledge management strategies are also part of the entrepreneurial strategies in bakeries.

3.5 Entrepreneurial Strategies in Bakeries: Knowledge Management

These are categorised as knowledge creation, knowledge sharing, and knowledge utilisation.

3.5.1 Knowledge Creation in Bakeries

Food enterprises such as bakeries acquire knowledge from both internal and external operating environment (Beljić, Panapanaan, Linnanen, & Uotila, 2013). Bakeries need to acquire and manage tacit and implicit knowledge (Kuk, 2006). Bakeries manage knowledge by developing procedures and processes in order to acquire knowledge from the employees. They do this through formal and informal interactions in which information, practices and experiences are shared among members (Ogiwara, Young, Talisayon, & Bunyagidj, 2010). Therefore, managing practices and facilitating formal and informal interactions are all key sources of knowledge

(Beljić, Panapanaan, Linnanen, & Uotila, 2013). Through interactions with customers, bakeries acquire knowledge that helps them understand customers' preferences (Ogiwara, Young, Talisayon, & Bunyagidj, 2010). Processing external knowledge, interacting with customers, and product development are key practices in firms (Heimonen, Kohtamäki, & Heikkilä, 2015). One of the effective approaches used by bakeries in acquiring tacit knowledge is through interviews (Beljić, Panapanaan, Linnanen, & Uotila, 2013). In this regard, bakeries need to develop systems that integrate and facilitate the interaction of key bakery stakeholders and practitioners (Kuk, 2006).

Food enterprises such as bakeries need organisational memory in order to have effective knowledge management practices (Beljić, Panapanaan, Linnanen, & Uotila, 2013). This is because; the major risk associated with knowledge management in bakeries is to preserve employees' knowledge even after they have left the bakery (Malaysian-German Chamber of Commerce and Industry, 2016). Knowledge about safety, quality, environmental plans, reports, and agreements belongs to this form of organisational memory (Beljić, Panapanaan, Linnanen, & Uotila, 2013). In order to preserve knowledge in bakeries, the interests and visions of founders need to be honoured and be used to provide direction of the business (Yew, 2016). This is because; bakeries may sometimes be managed by a team of entrepreneurs who have decided to team up their baking knowledge with business capital (Malaysian-German Chamber of Commerce and Industry, 2016). Organisational memory in bakeries and other food enterprises can also be created through learning, observing and practising (Beljić, Panapanaan, Linnanen, & Uotila, 2013). When the skills of employees are intertwined with the working environment, bakeries develop capabilities in generating ideas that become the sources of new crucial knowledge (Ferenčíková & Hrdličková, 2017).

There are a lot of challenges associated with assessing capabilities in processing information (Johnson, Egelkraut, & Grout, 2010). Knowledge in bakeries can be acquired through training (Quaye, Onumah, Tortoe, Akonor, & Buckman, 2018). Food enterprises such as bakeries acquire knowledge from both operating environment in a tacit way through training and interactions (Beljić, Panapanaan, Linnanen, & Uotila, 2013). One of the key knowledge management strategies adopted by bakeries is to train their employees in order to develop their capabilities in managing their key duties and responsibilities, and motivating them to learn and acquire new knowledge (Ogiwara, Young, Talisayon, & Bunyagidj, 2010). Also, bakery staff need to be trained in areas pertaining to acquiring and managing optimum results (Malaysian-German Chamber of Commerce and Industry, 2016), and assessing the effectiveness of raw materials, assessing energy and waste management practices, and creating both formal and informal interactions among members (Beljić, Panapanaan, Linnanen, & Uotila, 2013). Bakeries need to provide necessary training required in equipping employees with a desired knowledge in

managing technology, and production processes geared towards producing quality bakery products (Malaysian-German Chamber of Commerce and Industry, 2016). Trainings mainly focus on improving production practices, and enhancing management capabilities (Durst, Zarelli, Vaz, Muran, & Selig, 2015). In order to develop quality products, bakeries do decide to employ experienced staff whose responsibility is to train other employees in order to acquire knowledge that is needed to improve and manage processes and operations (Malaysian-German Chamber of Commerce and Industry, 2016). Hence, knowledge sharing tactics facilitate further processing of knowledge before applying it in production (Beljić, Panapanaan, Linnanen, & Uotila, 2013). Apart from the knowledge creation, the knowledge sharing is also part of the knowledge management strategies in bakeries.

3.5.2 Knowledge Sharing in Bakeries

Firm structures, communication tools, and an interactive culture facilitate knowledge sharing (Ferenčíková & Hrdličková, 2017). Bakeries strive to create environments that encourage team spirit. Through team working initiatives, bakeries are likely to generate ideas, and share information (Aaltonen & Hytti, 2014). Frequent informal dialogues play a critical role in sharing knowledge (Heimonen, Kohtamäki, & Heikkilä, 2015). Nevertheless, Knowledge sharing takes place in form of meetings, interactions, and experiences (Durst, Zarelli, Vaz, Muran, & Selig, 2015). Meetings and social interactions or events define knowledge sharing practices in food sector (Beljić, Panapanaan, Linnanen, & Uotila, 2013). The level of social interactions depends on the firm's size. There is evidence that interaction tends to increase significantly when the firm's size is small, and dwindles when size becomes large (Durst, Zarelli, Vaz, Muran, & Selig, 2015). However, meetings should take place at all levels and relevant information should be shared among all employees. Evidence tells that some organisations, after managers have discussed matters in their meetings, tend to share pertinent information with other employees (Beljić, Panapanaan, Linnanen, & Uotila, 2013). Another major technique of information sharing is documentation. The food sector values documentation as the major technique of hoarding, and sharing crucial information and knowledge (Durst, Zarelli, Vaz, Muran, & Selig, 2015). However, to a great extent, and in most cases, knowledge sharing in food enterprises is frequently done via face-to-face communication. They encourage frequent communication to take place between managers and all staff (Beljić, Panapanaan, Linnanen, & Uotila, 2013). Apart from the knowledge sharing, the knowledge utilisation is also part of the knowledge management strategies in bakeries.

3.5.3 Knowledge Utilisation in Bakeries

Firms need capabilities in order to transform acquired knowledge into innovative products. In turn, firms will be able to attain significant profits and competitiveness (Heimonen, Kohtamäki, & Heikkilä, 2015). Knowledge management practices in food SMEs involve acquisition of

feedback from customers, and utilising the acquired knowledge in improving their products, productivity, and production processes. They also involve initiatives dedicated to customer satisfaction and retention, and staff development (Ogiwara, Young, Talisayon, & Bunyagidj, 2010). Customer interactions are the primary sources of innovation practices that seek to develop innovative products. Firms may use customer feedback as a means of reducing perceived risk and improving products (Heimonen, Kohtamäki, & Heikkilä, 2015). For example, customers choose bakery products that have a significant nutrition level (Dilhari & Wijesinghe, 2014). In this regard, health concerns have stimulated customers' growing interests in whole-grain bread (Nuobariene, Arneborg, & Hansen, 2014). Health issues can also be related to baking soda consumption (Rostami, Farajzadeh, Haratian, Masoumbeigi, Ebadi, & Delkhosh, 2013). This is a feedback that needs to be utilised by developing mechanisms of satisfying respective customer preferences. Their interests such as the need to consume fresh products pressure bakeries to use the acquired knowledge in developing effective storage mechanisms. However, the storage of bakery products such as breads is very challenging. Bakeries need to utilise knowledge by developing effective packaging in order to control microbiological safety and attract customers. Nevertheless, effective packaging such as the use of films depends on the rate of cooling (Pastukhov & Danin, 2011). Knowledge utilisation is also reflected in compliance. The employees' working environment should embrace safety and health standards. Such compliance has a positive impact on the production process (Perdani, Chasanah, & Sucipto, 2018). This is because; food enterprises need to frequently concentrate on preventing wrongdoings and foster a spirit of transparency (Cheung & Leung, 2016).

Effective knowledge utilisation will enable bakeries to integrate ideas, concepts, and thoughts into bakery processes in order to manage quality, wastes, and production costs (Ozor, Orji-Oko, & Olua, 2015). For example, internalisation of ideas may lead to improvement of bakery products such as colour and texture, as well as stabilisation of internal structure of pasta that can be facilitated by alternative proteins such as egg protein (Gao, Janes, Chaiya, Brennan, Brennan, & Prinyawiwatkul, 2018). All such improvement is the result of utilising knowledge acquired through various means including informal interactions. Through informal dialogues, firms increase innovation practices and initiatives. Innovation processes are significantly facilitated by informal interactions when executing business operations (Heimonen, Kohtamäki, & Heikkilä, 2015). Informal interactions equip bakers with knowledge understand various trends pertaining to the production of various types of bakery products and effectively utilise the particular knowledge. This is because; every bakery product has its own size, form, and taste. For example, breads may be sweet or wheat bread (Fitriana, Saragih, & Luthfiana, 2017). Some other forms of bread may be yeast breads (Ali, Shehzad, Khan, Shabbir, & Amjid, 2012). Yeast plays a key role in influencing lower levels of acrylamide (Sadd, Hamlet, & Liang, 2008).

Bakeries may also use the acquired knowledge and skills in managing baking time since it has a direct relationship with the creation of acrylamide (Kunkulberga, Gedrovica, Ozolina, Ciprovica, & Sterna, 2014). Volatile compound formation is also influenced by baking time. The baking temperature has a direct relationship with bread crumb and crust colour (Sabovics, Straumite, & Galoburda, 2014). An increased burning rate and pasting influence bread wastage (Malakootian & Dowlatshahi, 2005). Generally, both production planning and optimisation practices in bakery depend on the nature and characteristics of bakery products and processes, as well as production timing (Hecker, Hussein, & Becker, 2010). Apart from the knowledge management strategies, the networking strategies are also part of the entrepreneurial strategies in bakeries.

3.6 Entrepreneurial Strategies in Bakeries: Networking

These are categorised as network formation, network intensity, and interdependence.

3.6.1 Network Formation in Bakeries

Marketing capabilities in SMEs are created through networking especially the personal networks. Through personal networks, SMEs are able to reach their target market and create their powerful branding and for their products as well (Garamoun & Hurieb, 2016). One way of establishing a strong brand is developing trust with customers (Neuwirth, 2012). Networking with customers, employees and other business stakeholders drives success (Mayer, Harima, & Freiling, 2015). However, challenges in business environment force bakeries to develop relationships among themselves (Smirnova, Rebiazina, & Moreva, 2014). Success in food enterprises depends on networking particularly the use of social capital in establishing business contacts and social relationships in order to access resources, opportunities, information, and knowledge thus, ultimately increasing competitiveness (Jämsä, Tähtinen, Ryan, & Pallari, 2011). However, SMEs need to spend time, and use resources in order to establish these strong social relationships (Agyapong, Agyapong, & Poku, 2017). Apart from the network formation, the network intensity is also part of the networking strategies in bakeries.

3.6.2 Network Intensity in Bakeries

Networks in bakeries can be strengthened by enhanced social capital. Social capital is only useful when resources are accessed, and synergies formed (Hunter & Lean, 2014). Social capital facilitates interactions among staff; it gives access to knowledge sharing, and cultivates trust. All these support both product and process innovations that in turn influence performance (Agyapong, Agyapong, & Poku, 2017). Social interactions may involve employees, customers, suppliers, distributors and agents, other related bakeries as well as family members. Evidence tells that entrepreneurs can create intensive networks with family members. These networks are crucial in supporting business growth. Informal networks with family members are also the

sources of industrial knowledge and expertise (Mayer, Harima, & Freiling, 2015). The intensity of the social network helps firms to develop effective differentiation strategies, and knowledge exchange that ultimately influence firm performance (Hu & Hafsi, 2015). For example, informal networks involving family members and friends help the business to access tacit knowledge and increase its capability in managing business operations. However, formal networks with key business stakeholders such as staff, customers, and distributors are the sources of useful feedback regarding business and product improvement (Mayer, Harima, & Freiling, 2015). Social interactions facilitate the members of the firm to internalise a shared vision (Lefebvre, Sorenson, Henchion, & Gellynck, 2016). Generally, the network intensity is facilitated by interaction among staff, customers, suppliers, community members, and the general public (Dastourian, Kesim, Amiri, & Moradi, 2017) including friends and former employees who play a vital indirect role in improving business due to the fact that they are the source of business knowledge (Mayer, Harima, & Freiling, 2015). Apart from the network intensity, interdependence is also part of the networking strategies in bakeries.

3.6.3 Interdependence Strategies in Bakeries

SMEs need to invest in the development of capabilities in utilising networks (Garamoun & Hurieb, 2016). Business operations are heavily influenced by both formal and informal networks (Mayer, Harima, & Freiling, 2015). Firms join networks in order to benefit from these networks (Haugum & Grande, 2017). There are several key networking arrangements that can be used to address growth problems in SMEs. One of the arrangements is the network between bakeries of similar size. Others include networking with large entities in order to access resources and opportunities in the business environment (Jamieson, Fettiplace, York, Lambourne, Braidford, & Stone, 2012). For example, through business relationships, small bakeries are able to get supplies from large bakeries (Erengüç, Simpson, & Vakharia, 1999). Through formal and informal cooperation, materials and capital required by bakeries are obtained (Dyck & Russell, 2015). Bakeries have also been able to boost their marketing cooperation activities such as co-branding (Smirnova, Rebiazina, & Moreva, 2014). Nevertheless, through established relationships with other players in the food sector, bakeries can access promotion opportunities, resources, and enjoy distribution networks (Dyck & Russell, 2015). Agents and other distributors such as retailers are the main actors in improving business performance. If well treated and served, and supplied with quality products, they are likely to market the business to other important players (Mayer, Harima, & Freiling, 2015). In this regard, through established distribution networks, effective delivery is guaranteed (Neuwirth, 2012).

SMEs use networks to win opportunities including the fortification of supply relationship (Jamieson, Fettiplace, York, Lambourne, Braidford, & Stone, 2012). For example, food entities have been in need of outweighing rivalry by networking with material suppliers and at the same time competing with other players in winning customers (Katchova & Woods, 2011). Networks that involve SMEs with similar size, structure, and geographical location tend to be preferred by most of the food enterprises (Brinkmann, et al., 2014). That is why literature confirms that effective relationships can be formed through co-location (Artto, Ahola, Kyrö, & Peltokorpi, 2017), joint purchasing (Karlsson, 2012), joint marketing (Haugum & Grande, 2017), accessibility of resources, and information sharing (Spence, Schmidpeter, & Habisch, 2003). Knowledge exchange is facilitated by mutual dependence among players (Hu & Hafsi, 2015). Nevertheless, the cooperation among food enterprises has enabled them to access and attract more customers and other food entities (Katchova & Woods, 2011). Apart from getting an insight on the broad categories of entrepreneurial strategies in bakeries, the study analyses their links to SME performance.

3.7 Innovation and SME Performance

The relationship between innovation and business performance of SMEs has been an area of great concern in SME research. Most of these studies such as Olughor (2015); Zwingina & Opusunju (2017); van Auken, Madrid-Guijarro, & García-Pérez-de-Lema (2008); Rosli & Sidek (2013); and Mbizi, Hove, Thondhlana, & Kakava (2013) find how innovation influences SME performance. Innovation has been classified in terms of product, process, organisational, administrative, managerial and system, marketing innovation (van Auken, Madrid-Guijarro, & García-Pérez-de-Lema, 2008; Rosli & Sidek, 2013; Olughor, 2015; Zwingina & Opusunju, 2017) while SME performance measures have been defined in terms of sales level (Zwingina & Opusunju, 2017), financial, production, and market indicators (Olughor, 2015). Control variables such as size and age have been a preference in innovation-SME performance studies in which both size of the firm and its age are measured as the logarithm of number of employees and years of operation respectively (van Auken, Madrid-Guijarro, & García-Pérez-de-Lema, 2008). It is also believed that the findings of the studies may also be affected by the environment in which they were carried out such as Nigeria (Olughor, 2015; Zwingina & Opusunju, 2017), Zimbabwe (Mbizi, Hove, Thondhlana, & Kakava, 2013), Spain (van Auken, Madrid-Guijarro, & García-Pérez-de-Lema, 2008), and Malaysia to mention a few (Rosli & Sidek, 2013). Differences can also emerge due to the type of industry or sector such as manufacturing (van Auken, Madrid-Guijarro, & García-Pérez-de-Lema, 2008), textiles, clothing, wood, and beverage (Rosli & Sidek, 2013) in which SMEs under study operate in.

Most of the innovation-SME performance studies use a survey design methodology (Olughor, 2015; Mbizi, Hove, Thondhlana, & Kakava, 2013; Zwingina & Opusunju, 2017; Rosli & Sidek, 2013; van Auken, Madrid-Guijarro, & García-Pérez-de-Lema, 2008). However, sampling strategies differ. For example, although study objectives show similarities, convenient sampling has been used by Olughor (2015) while random selection and stratification have been adopted by Mbizi, Hove, Thondhlana, & Kakava (2013), and van Auken, Madrid-Guijarro, & García-Pérez-de-Lema (2008). The sample sizes are 200 individuals from six SMEs (Olughor, 2015), 30 SMEs (Mbizi, Hove, Thondhlana, & Kakava, 2013), 9,337 firms (but only 1,091 responded) (van Auken, Madrid-Guijarro, & García-Pérez-de-Lema, 2008), 348 SME owners (Zwingina & Opusunju, 2017), and 284 SMEs (Rosli & Sidek, 2013). The Yamane's (1967) formula to determine the sample size when the population is known has been used by Zwingina & Opusunju (2017) who also use a five year period to measure the relationship between innovation and SME performance. Although both interviews and questionnaires can be used to collect information from SMEs (Mbizi, Hove, Thondhlana, & Kakava, 2013), most studies collect data using questionnaires (Olughor, 2015; Zwingina & Opusunju, 2017; van Auken, Madrid-Guijarro, & García-Pérez-de-Lema, 2008; Rosli & Sidek, 2013) particularly from the top officials (Zwingina & Opusunju, 2017; van Auken, Madrid-Guijarro, & García-Pérez-de-Lema, 2008). The relationship between innovation and SME performance can be developed by the aid of hierarchical regression analysis (Rosli & Sidek, 2013); although a multiple regression analysis has also become a top priority (Olughor, 2015; Zwingina & Opusunju, 2017; van Auken, Madrid-Guijarro, & García-Pérez-de-Lema, 2008). A factor analysis has also been used to show how the indicators can be summarised by a single factor (van Auken, Madrid-Guijarro, & García-Pérez-de-Lema, 2008) whereby Cronbach's Alpha has become a preferred tool in testing reliability (Olughor, 2015; van Auken, Madrid-Guijarro, & García-Pérez-de-Lema, 2008; Rosli & Sidek, 2013).

Research shows that innovation influences SME performance (Olughor, 2015; Zwingina & Opusunju, 2017; van Auken, Madrid-Guijarro, & García-Pérez-de-Lema, 2008), competitiveness and sustainability (Mbizi, Hove, Thondhlana, & Kakava, 2013; van Auken, Madrid-Guijarro, & García-Pérez-de-Lema, 2008). This is mainly contributed to by technological innovation, market innovation (Olughor, 2015), product innovation, process innovation (Zwingina & Opusunju, 2017; van Auken, Madrid-Guijarro, & García-Pérez-de-Lema, 2008; Rosli & Sidek, 2013), and managerial and systems innovation (van Auken, Madrid-Guijarro, & García-Pérez-de-Lema, 2008). However, both organisational innovation and administrative innovation do not influence SME performance (Zwingina & Opusunju, 2017). This study seeks to link innovation strategies: enhanced innovation process, customer-focused innovation, and enhanced innovation environment, with SME performance:

production/output level, and sales level. These links are moderated by human resource competency, and SME size respectively. Apart from the innovation-SME performance, the analysis of the link between risk-taking and SME performance is also done.

3.8 Risk-taking and SME Performance

Risk-taking is one of the important components of entrepreneurial orientation. The relationship between risk-taking and SME performance can be investigated (Wambugu, Gichira, Wanjau, & Mung'atu, 2015; Naldi, Nordqvist, Sjöberg, & Wiklund, 2007). Risk-taking can be examined in relation with other components of entrepreneurial orientation such as proactiveness, innovativeness, and learning in influencing SME performance (Amin, 2015; Kiprotich, Kimosop, Kemboi, & Chepkwony, 2015; Fairoz, Hirobumi, & Tanaka, 2010). It can also be examined as a driving force of other dimensions of entrepreneurial orientation such as innovativeness (Maladzhi, 2015). The relationship between risk-taking and SME performance can be moderated by social networking (Kiprotich, Kimosop, Kemboi, & Chepkwony, 2015). However, control variables such as age, size, performance history, independence, environmental heterogeneity, and the industry can be used (Naldi, Nordqvist, Sjöberg, & Wiklund, 2007). The risk-taking and SME performance studies have translated risk-taking in terms of readiness to invest in high risk businesses that expect significant returns (Wambugu, Gichira, Wanjau, & Mung'atu, 2015; Fairoz, Hirobumi, & Tanaka, 2010), SME's ability to take calculated risks, and develop a backup plan, as well as readiness to exploit opportunities in uncertainty (Maladzhi, 2015; Fairoz, Hirobumi, & Tanaka, 2010). Risk-taking engages the SME's willingness to acknowledge ideas from various stakeholders such as customers (Maladzhi, 2015). It also involves the use of huge resources for growth ambitions including readiness to take big loans (Wambugu, Gichira, Wanjau, & Mung'atu, 2015), and the possession of boldness in business operations in order to achieve objectives (Fairoz, Hirobumi, & Tanaka, 2010). Other characteristics of risk-taking include continuous searching of opportunities such as adopting new technology in exploring business opportunities (Wambugu, Gichira, Wanjau, & Mung'atu, 2015), and creating an environment that encourages innovation, and creative solutions (Maladzhi, 2015).

Studies on risk-taking and SME performance have been undertaken in various environments and industries such as the Sri Lankan manufacturing sector (Fairoz, Hirobumi, & Tanaka, 2010), South African manufacturing sector (Maladzhi, 2015), Malaysian manufacturing industry (Amin, 2015), and the Kenyan agro processing industry (Wambugu, Gichira, Wanjau, & Mung'atu, 2015). Others include multi-sector SMEs from Kenya (Kiprotich, Kimosop, Kemboi, & Chepkwony, 2015), and Sweden (Naldi, Nordqvist, Sjöberg, & Wiklund, 2007). The risk-taking and SME performance studies measure SME performance in terms of sales growth (Fairoz, Hirobumi, & Tanaka, 2010; Naldi, Nordqvist, Sjöberg, & Wiklund, 2007; Wambugu,

Gichira, Wanjau, & Mung'atu, 2015), profitability (Wambugu, Gichira, Wanjau, & Mung'atu, 2015; Naldi, Nordqvist, Sjöberg, & Wiklund, 2007; Fairoz, Hirobumi, & Tanaka, 2010), and productivity (Maladzhi, 2015). Other measures are the growth in market share, owner's satisfaction (Fairoz, Hirobumi, & Tanaka, 2010), increased cash flow, net worth (Naldi, Nordqvist, Sjöberg, & Wiklund, 2007), and the number of employees (Fairoz, Hirobumi, & Tanaka, 2010; Wambugu, Gichira, Wanjau, & Mung'atu, 2015).

Various methodologies have been adopted in these studies such as explanatory research design used by Kiprotich, Kimosop, Kemboi, & Chepkwony (2015). Large samples such as 889 SMEs with a response rate of 696 SMEs (Naldi, Nordqvist, Sjöberg, & Wiklund, 2007), 450 SMEs (Amin, 2015), 214 SMEs (Kiprotich, Kimosop, Kemboi, & Chepkwony, 2015), and 50 SMEs (Maladzhi, 2015) have been considered. However, fewer than 30 SMEs (25 SMEs) have been used (Fairoz, Hirobumi, & Tanaka, 2010). These samples were drawn based on various sampling techniques such as convenience sampling (Maladzhi, 2015), purposive sampling (Wambugu, Gichira, Wanjau, & Mung'atu, 2015), random selection (Amin, 2015), and stratification (Naldi, Nordqvist, Sjöberg, & Wiklund, 2007) whereby questionnaires (Maladzhi, 2015; Wambugu, Gichira, Wanjau, & Mung'atu, 2015; Kiprotich, Kimosop, Kemboi, & Chepkwony, 2015; Amin, 2015), interviews (Fairoz, Hirobumi, & Tanaka, 2010), and telephone and mail surveys (Naldi, Nordqvist, Sjöberg, & Wiklund, 2007) have been the main data collection tools.

These data have been analysed based on various data analysis techniques such as factor analysis (Maladzhi, 2015; Wambugu, Gichira, Wanjau, & Mung'atu, 2015; Naldi, Nordqvist, Sjöberg, & Wiklund, 2007), chi-square analysis (Maladzhi, 2015), structural equation modelling (Wambugu, Gichira, Wanjau, & Mung'atu, 2015; Amin, 2015), multiple regression analysis (Fairoz, Hirobumi, & Tanaka, 2010; Naldi, Nordqvist, Sjöberg, & Wiklund, 2007; Kiprotich, Kimosop, Kemboi, & Chepkwony, 2015), and a fourth order Runge-Kutta method (Maladzhi, 2015). The validity test is based on convergent, discriminant (Wambugu, Gichira, Wanjau, & Mung'atu, 2015; Amin, 2015), and content validity (Fairoz, Hirobumi, & Tanaka, 2010). Reliability is tested by Cronbach's Alpha (Fairoz, Hirobumi, & Tanaka, 2010; Wambugu, Gichira, Wanjau, & Mung'atu, 2015; Amin, 2015). Research reveals that risk-taking influences SME performance (Wambugu, Gichira, Wanjau, & Mung'atu, 2015; Amin, 2015; Kiprotich, Kimosop, Kemboi, & Chepkwony, 2015; Fairoz, Hirobumi, & Tanaka, 2010). As mentioned earlier, risk-taking relates with other entrepreneurial dimensions such as proactiveness, learning, and innovation (Naldi, Nordqvist, Sjöberg, & Wiklund, 2007; Amin, 2015). That is why research shows that managers who are risk-takers enhance innovative environment (Maladzhi, 2015). In that regard, this study sought to link risk-taking strategies: planning, controlling, and strategic initiatives, with SME performance: level of operation and production costs, and

production/output level. These links are moderated by SME age, and owner's/manager's gender respectively. Apart from the link between risk-taking and SME performance, the analysis of the marketing-SME performance is also done.

3.9 Marketing and SME Performance

SME performance can be achieved by adopting various marketing strategies. There are a lot of studies that have sought to find the contribution of marketing strategies on the performance of SMEs. Examples of these studies include Dzisi & Ofosu (2014); Adewale, Adesola, & Oyewale, (2013); Ebitu (2016); Nthenge (2016); and Kuwu & Gakure (2014). SMEs' marketing strategies include the traditional product, promotion, price, and place strategies (Adewale, Adesola, & Oyewale, 2013; Kuwu & Gakure, 2014). They also include strategies related to relationship marketing (Ebitu, 2016), commercial relationship and public relation (Nthenge, 2016), product quality including packaging and after sales service (Ebitu, 2016; Adewale, Adesola, & Oyewale, 2013), and marketing communication including advertising using both traditional and non-traditional media such as websites, emails, and the social media (Dzisi & Ofosu, 2014; Ebitu, 2016; Nthenge, 2016). SMEs do segment their markets as well (Nthenge, 2016). These strategies have been adopted in various business environment contexts such as Ghana (Dzisi & Ofosu, 2014), Nigeria (Adewale, Adesola, & Oyewale, 2013; Kuwu & Gakure, 2014; Ebitu, 2016), and Kenyan clothing industry (Nthenge, 2016) to mention a few. These marketing strategies can be linked with SME performance that is measured in terms of profitability, market share (Dzisi & Ofosu, 2014; Adewale, Adesola, & Oyewale, 2013; Ebitu, 2016), sales growth (Kuwu & Gakure, 2014), brand awareness (Dzisi & Ofosu, 2014), and the return on investment (Adewale, Adesola, & Oyewale, 2013).

The studies on marketing strategies and SME performance have placed their preference on survey research design (Dzisi & Ofosu, 2014; Adewale, Adesola, & Oyewale, 2013; Ebitu, 2016; Nthenge, 2016; Kuwu & Gakure, 2014). Large sample sizes are also preferred. For example, 363 SMEs have been adopted as a sample size in a study by Dzisi & Ofosu (2014), 100 SMEs in Kuwu & Gakure (2014), and 50 SMEs in Nthenge (2016). Other studies such as Ebitu (2016) and Adewale, Adesola, & Oyewale (2013) sought to receive responses from 240 and 103 respondents respectively. The major sampling strategies adopted on the marketing-SME performance studies were the simple random sampling (Dzisi & Ofosu, 2014; Ebitu, 2016; Adewale, Adesola, & Oyewale, 2013), purposive sampling (Dzisi & Ofosu, 2014), multi-stage probability sampling (Kuwu & Gakure, 2014), stratified random sampling (Dzisi & Ofosu, 2014), and the systematic stratified sampling (Nthenge, 2016). These studies (marketing strategies and SME performance) used questionnaires as their main data collection tools (Dzisi & Ofosu, 2014; Adewale, Adesola, & Oyewale, 2013; Ebitu, 2016; Nthenge, 2016; Kuwu & Gakure, 2014). These questionnaires were filled in by owners (Nthenge, 2016). Validity test

was done through content validity (Nthenge, 2016; Kuwu & Gakure, 2014) while data analysis was carried out by factor analysis (Dzisi & Ofosu, 2014), multiple regression analysis (Adewale, Adesola, & Oyewale, 2013; Nthenge, 2016), and the chi-square (Kuwu & Gakure, 2014).

Research shows that marketing strategies are the fundamental drivers of SME performance (Kuwu & Gakure, 2014). As mentioned earlier, both traditional and non traditional strategies significantly influence SME performance. However, Ghanaian SMEs prefer traditional marketing strategies (Dzisi & Ofosu, 2014). The marketing strategies pertaining to product, promotion, distribution, and pricing greatly foster SME performance (Adewale, Adesola, & Oyewale, 2013). For example, advertising is regarded to be one of the major drivers of SME performance (Nthenge, 2016) although Ebitu (2016) finds that marketing communication does not influence SME performance. It has been realised that SMEs' survival depends on both marketing strategies and resources (Kuwu & Gakure, 2014). Research has revealed that product quality and relationship marketing impact SME profitability, and market share respectively (Ebitu, 2016). Strategic marketing fosters product development. SME performance can be driven by the adoption of advanced technology in marketing (Dzisi & Ofosu, 2014). This is why research suggests that great emphasis should be put on developing quality products (Adewale, Adesola, & Oyewale, 2013; Ebitu, 2016) with competitive pricing, packaging, and after sales service (Adewale, Adesola, & Oyewale, 2013) supported by effective customer relationship management strategies geared towards expanding SME growth (Ebitu, 2016). This study therefore sought to link various marketing strategies related to the traditional marketing mix elements: product, price, distribution, and promotion, with SME performance: number of customers, and sales level, under the moderation of human resource competency, and owner's/manager's business experience respectively. Apart from the marketing-SME performance, the analysis of the link between knowledge management and SME performance was also done.

3.10 Knowledge Management and SME Performance

Various studies have tried to link knowledge management with SME performance (Byukusenge, Munene, & Orobia, 2016; Daud & Yusoff, 2010; Jabeen, Shehu, Mahmood, & Mata, 2014; Ngah & Ibrahim, 2010; Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016). The link has mostly been mediated by innovation (Byukusenge, Munene, & Orobia, 2016) whereby the relationship between knowledge management and innovation is established first before innovation is linked with SME performance (Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016). However, innovation, classified in terms of product, process and market (Byukusenge, Munene, & Orobia, 2016), is not the only mediator between knowledge management and SME performance. Social capital is the mediator as well.

Social capital is realised by the value derived by the relationship an SME has with its stakeholders such as customers, suppliers, and partners to mention a few (Daud & Yusoff, 2010). Studies on knowledge management and SME performance define knowledge management in terms of knowledge acquisition, knowledge strategies and policies, knowledge sharing, responsiveness, conversion, application, employee training, and organisational culture (Daud & Yusoff, 2010; Byukusenge, Munene, & Orobia, 2016; Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016). These studies can be carried out in different sectors and environment. For example, Daud & Yusoff (2010) studied SMEs from a multimedia industry in Malaysia while Jabeen, Shehu, Mahmood, & Mata (2014) and Byukusenge, Munene, & Orobia (2016) concentrate on Nigeria's and Rwanda's SMEs respectively. Other sectors include Spanish construction, manufacturing, service, and trade (Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016), and Malaysian manufacturing, food, construction, pottery, welding, and carpentry to mention a few (Ngah & Ibrahim, 2010).

These studies define SME performance in terms of sales level, profit, and market share (Byukusenge, Munene, & Orobia, 2016). They also employ various methodologies as well. A cross-sectional design has been a major preference (Byukusenge, Munene, & Orobia, 2016; Jabeen, Shehu, Mahmood, & Mata, 2014). The use of large samples has been considered. For example, Jabeen, Shehu, Mahmood, & Mata (2014) began with a sample of 320 before doubling to 640 SMEs while Byukusenge, Munene, & Orobia (2016) used a sample of 250 SMEs. Responses from 903 SMEs were received in a study by Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán (2016). On the other hand, Daud & Yusoff (2010) sought information from 833 SMEs although effective responses came from 289 respondents. The study by Ngah & Ibrahim (2010) received 257 responses. Mostly, the respondents were the SME owners/managers representing their firms considered as units of analysis (Jabeen, Shehu, Mahmood, & Mata, 2014; Byukusenge, Munene, & Orobia, 2016; Daud & Yusoff, 2010; Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016; Ngah & Ibrahim, 2010). The systematic sampling (Jabeen, Shehu, Mahmood, & Mata, 2014), stratified sampling (Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016), simple random sampling (Byukusenge, Munene, & Orobia, 2016), and convenience sampling (Ngah & Ibrahim, 2010) have been adopted by knowledge management-SME performance studies.

Again, the Yamane's (1967) formula to determine the sample size when there is a known population was adopted by Byukusenge, Munene, & Orobia (2016). Data collection was mainly conducted by the aid of questionnaires (Jabeen, Shehu, Mahmood, & Mata, 2014; Daud & Yusoff, 2010; Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016; Byukusenge, Munene, & Orobia, 2016; Ngah & Ibrahim, 2010). Preference was placed on content validity (Jabeen, Shehu, Mahmood, & Mata, 2014; Daud & Yusoff, 2010; Byukusenge,

Munene, & Orobia, 2016), convergent validity, discriminant validity (Jabeen, Shehu, Mahmood, & Mata, 2014; Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016), and construct validity (Daud & Yusoff, 2010). The reliability test was done using Cronbach's Alpha (Daud & Yusoff, 2010; Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016; Ngah & Ibrahim, 2010). The factor analysis, mostly confirmatory factor analysis (Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016; Byukusenge, Munene, & Orobia, 2016; Daud & Yusoff, 2010), multiple regression analysis (Daud & Yusoff, 2010; Byukusenge, Munene, & Orobia, 2016), as well as structural equation modelling (Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016; Ngah & Ibrahim, 2010) was used.

Research reveals that adopting knowledge management can be a source of competitive advantage for SMEs (Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016). It is also revealed that there is a relationship between knowledge management and SME performance (Jabeen, Shehu, Mahmood, & Mata, 2014). Knowledge sharing fosters SME performance as well (Ngah & Ibrahim, 2010). However, Byukusenge, Munene, & Orobia (2016) suggest that knowledge management cannot influence SME performance unless innovation acts as a mediating factor. On the other hand, Daud & Yusoff (2010) suggest that social capital mediates the knowledge management-SME performance relationship. As already mentioned, knowledge management comprises of various elements including strategies and policies, knowledge acquisition, organisational culture, and employee training. It has been revealed that strategies and policies, knowledge acquisition, and organisational culture influence innovation while training does not exert any influence on innovation (Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016). However, the findings reveal that innovation fosters SME performance (Byukusenge, Munene, & Orobia, 2016). This study therefore aimed at linking knowledge management strategies: knowledge creation, knowledge sharing, and knowledge utilisation, with SME performance: level of operating and production costs, and production/output level. It moderated these relationships using the owner's/manager's education level, and business experience respectively. Apart from the knowledge management-SME performance, the analysis of the link between networking and SME performance was also done.

3.11 Networking and SME Performance

Studies on network relationships have attracted the attention of many scholars who have also sought to find the contribution of networking on SME performance (Maina, Marwa, Waiguchu, & Riro, 2016b; Chimucheka, 2013; Širec & Bradač, 2009). Networking studies have also concentrated on revealing the role of social network on SME performance (Surin & Wahab, 2013). Various networking components have been used to establish the relationship between networking and SME performance. Parida, Pemartín, & Frishammar, (2009) introduce networking capability and configuration. They define networking capability as the ability to use

relationships to access resources within a network. They further tell that these abilities include the coordination skills, relationship skills, knowledge of the partner, internal communication skills, and ability to develop new relationships. On the other hand, they describe network configuration as the forms of relationships created by the tie between actors. Generally, these are the networking with partners, and networking with customers. They may be in form of cooperation within (internalisation), or outside an SME (externalisation) as used in Širec & Bradač (2009). Other characteristics include the network activity (rate of interactions), centrality (connections between one node and others), and density (proportion of ties) (Surin & Wahab, 2013), network governance (reputation, reciprocity, and trust), network structure (information quality, and information diversity) as well as network content (centrality, density, ties) (Maina, Marwa, Waiguchu, & Riro, 2016b). Ties can be categorised as strong ties or weak ties (Chimucheka, 2013).

Studies on networking and SME performance have involved SMEs from various industries. These include Kenyan manufacturing sector (Maina, Marwa, Waiguchu, & Riro, 2016b), small enterprises from Swedish technology sector (Parida, Pemartín, & Frishammar, 2009), and Malaysian manufacturing industry (Surin & Wahab, 2013). Other SMEs are based in Netherlands (Chimucheka, 2013), and Slovenia (Širec & Bradač, 2009). In order to establish a link between networking and SME performance, various studies have measured performance in terms of sales growth (Parida, Pemartín, & Frishammar, 2009; Širec & Bradač, 2009; Chimucheka, 2013; Surin & Wahab, 2013; Maina, Marwa, Waiguchu, & Riro, 2016b), profitability (Chimucheka, 2013; Parida, Pemartín, & Frishammar, 2009; Surin & Wahab, 2013; Maina, Marwa, Waiguchu, & Riro, 2016b), growth in market share, cash flow (Surin & Wahab, 2013), assets, number of employees (Širec & Bradač, 2009), productivity (Chimucheka, 2013), and market growth (Parida, Pemartín, & Frishammar, 2009). Other measures include the owners' satisfaction (Chimucheka, 2013), satisfaction of customers, and their loyalty (Parida, Pemartín, & Frishammar, 2009). These performance measures are impacted by various control variables such as firm's size (Surin & Wahab, 2013; Parida, Pemartín, & Frishammar, 2009), and age (Surin & Wahab, 2013). The motive behind using size as a control variable is due to the fact that large enterprises that own abundant resources might possess strong innovation capabilities than other enterprises. This size has been established as the "log of the total number of employees" (Parida, Pemartín, & Frishammar, 2009, p. 124). Other important control variables used in networking-SME performance studies are environmental dynamism, environmental hostility (Parida, Pemartín, & Frishammar, 2009), and the parental history. With regard to parental history, it is suggested that SME owners whose parents are/were self-employed attain positive performance in their businesses (Surin & Wahab, 2013).

A descriptive design was adopted by Maina, Marwa, Waiguchu, & Riro (2016b). The same approach was also adopted by Chimucheka (2013) in the form of a case study. The use of large samples has been preferred in the networking-SME performance studies. For example, Surin & Wahab (2013) used a sample of 368 SMEs. A sample of 132 SMEs was considered by Maina, Marwa, Waiguchu, & Riro (2016b) while 291 responses were received in a study by Parida, Pemartín, & Frishammar (2009). These samples were mainly drawn by using stratified random sampling (Surin & Wahab, 2013), and systematic random sampling (Maina, Marwa, Waiguchu, & Riro, 2016b). Both questionnaires (Širec & Bradač, 2009; Parida, Pemartín, & Frishammar, 2009; Surin & Wahab, 2013; Maina, Marwa, Waiguchu, & Riro, 2016b), and in-depth interviews (Chimucheka, 2013) can be used as data collection tools in the networking-SME performance studies. These data are mainly analysed using factor analysis (Parida, Pemartín, & Frishammar, 2009; Surin & Wahab, 2013; Širec & Bradač, 2009), multiple regression analysis (Maina, Marwa, Waiguchu, & Riro, 2016b; Širec & Bradač, 2009), hierarchical regression analysis (Parida, Pemartín, & Frishammar, 2009; Surin & Wahab, 2013), an independent sample t-test, and the chi-square (Širec & Bradač, 2009). Mainly, reliability test was done using Cronbach's Alpha (Parida, Pemartín, & Frishammar, 2009; Surin & Wahab, 2013; Maina, Marwa, Waiguchu, & Riro, 2016b) while convergent validity has been preferred to test validity (Surin & Wahab, 2013). It has been realised that networking assists SMEs to acquire information, realise opportunities, and access resources, and consequently realise performance (Chimucheka, 2013). Networking practices are crucial in influencing SME innovation and performance. That is why a study by Parida, Pemartín, & Frishammar, (2009) reveals the role of both network configuration and capability on innovation, and how network capability drives SME performance. SME performance can also be driven by network centrality (Surin & Wahab, 2013), content, governance and structure (Maina, Marwa, Waiguchu, & Riro, 2016b). This study defines networking strategies in terms of network formation, network intensity, and interdependence. It therefore seeks to link these strategies with SME performance: number of customers, and sales level, under the moderation of SME size, and age respectively. Apart from the analysis of the entrepreneurial strategies-SME performance, the SME performance indicators are also analysed.

3.12 SME Performance Indicators

SME performance can be measured by considering various facets. These dimensions can be in terms of a pair of quantitative and qualitative (Sarwoko, Surachman, & Hadiwidjojo, 2013), financial and non-financial (Fairoz, Hirobumi, & Tanaka, 2010), or a triadic of financial, non-financial, and operational measures (Neneh & van Zyl, 2013). Financial metrics can be used interchangeably with quantitative measures. Likewise, non-financial measures are related to qualitative dimensional and operational measures as well. This is because; the quantitative

measures include revenue or profitability/return-based variables to mention a few (Sarwoko, Surachman, & Hadiwidjojo, 2013) while financial indicators include profitability, cash flow, and return on investment to mention a few (Harif, Hoe, & Ahmad, 2013). On the other hand, a few examples of non-financial measures are customer satisfaction, product quality, and employee efficiency (Harif, Hoe, & Ahmad, 2013) while qualitative variables include capabilities to maintain product quality, and develop new ones, knowledge, experience, and employee efficiency (Sarwoko, Surachman, & Hadiwidjojo, 2013). The operational category includes product cost, quality, and delivery, and number of customers (Neneh & van Zyl, 2013). The motive behind using a broad category of metrics is to avoid poor conclusion that could be drawn based on one dimension's limitations (Sarwoko, Surachman, & Hadiwidjojo, 2013). Several indicators have been used by researchers to evaluate the performance of SMEs. They include return-based indicators such as return on total assets (Lee & Marvel, 2009; Rosli & Sidek, 2013; Rosenbusch, Brinckmann, & Bausch, 2011; Mendoza, 2015), return on investment (Sawang, 2011), return on equity (Mendoza, 2015), and return on sales (Rosenbusch, Brinckmann, & Bausch, 2011; Rosli & Sidek, 2013; Mendoza, 2015; Dut, 2015). Another important indicator used in assessing SME performance is profit. Various forms of profit have been used extensively but they all reflect a pre-tax profit or a net income (profit after subtracting tax) (Watson, Kober, Ng, & Subramaniam, 2003; Fairoz, Hirobumi, & Tanaka, 2010; Neneh & van Zyl, 2013; Santos-Vijande, Sanzo-Pérez, Gutiérrez, & Rodríguez, 2012; Rosli & Sidek, 2013; Harif, Hoe, & Ahmad, 2013; Sarwoko, Surachman, & Hadiwidjojo, 2013; Sawang, 2011; Abdullah & Rosli, 2015; Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016).

Another common performance criterion in SME research is the level of sales (Voulgaris, Asteriou, & Agiomirgianakis, 2003; Nitu, 2015; Fairoz, Hirobumi, & Tanaka, 2010; Sawang, 2011; Sarwoko, Surachman, & Hadiwidjojo, 2013; Rosli & Sidek, 2013; Neneh & van Zyl, 2013; Beneki & Papastathopoulos, 2011; Rosenbusch, Brinckmann, & Bausch, 2011; Santos-Vijande, Sanzo-Pérez, Gutiérrez, & Rodríguez, 2012; Salojärvi, Furu, & Sveiby, 2005; Amorós, Planellas, & Batista-Foguet, 2007). In bakeries for example, the level of sales, as well as distribution scope are important performance indicators (Sulistiyani, 2017). Other criteria related to sales and are used in SME performance research include asset turnover, receivable turnover, inventory turnover (Mendoza, 2015), and market share growth (Fairoz, Hirobumi, & Tanaka, 2010; Rosenbusch, Brinckmann, & Bausch, 2011; Santos-Vijande, Sanzo-Pérez, Gutiérrez, & Rodríguez, 2012; Rosli & Sidek, 2013; Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016). The number of customers is also an important criterion in evaluating SME performance (Neneh & van Zyl, 2013). Other related criteria include customer satisfaction (Sawang, 2011; Harif, Hoe, & Ahmad, 2013), and customer retention rate (Sawang, 2011). SME performance can also be defined in terms of employment growth (Fairoz,

Hirobumi, & Tanaka, 2010; Watson, Kober, Ng, & Subramaniam, 2003; Amorós, Planellas, & Batista-Foguet, 2007; Rosli & Sidek, 2013), productivity (Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016) including labour productivity, employee knowledge and development (Rosli & Sidek, 2013; Sawang, 2011), product delivery, reliability, efficiency (Neneh & van Zyl, 2013; Sawang, 2011), and product quality (Harif, Hoe, & Ahmad, 2013; Sawang, 2011). The total assets, capital growth (Watson, Kober, Ng, & Subramaniam, 2003; Sarwoko, Surachman, & Hadiwidjojo, 2013), and cash flow position (Harif, Hoe, & Ahmad, 2013; Sawang, 2011) are also regarded as SME performance criteria. This study employed the level of operation and production costs; production/output level; number of customers; and sales level as the SME performance criteria. Apart from the analysis of the SME performance indicators, the moderator variables were also analysed.

3.13 Moderator Variables

Most of the studies on SME performance have employed several control variables in order to influence performance. One of them is the firm's age (Lee & Marvel, 2009; Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016; Voulgaris, Asteriou, & Agiomirgianakis, 2003; Rosenbusch, Brinckmann, & Bausch, 2011; Rosli & Sidek, 2013; Salojärvi, Furu, & Sveiby, 2005). The age of the firm is defined in terms of the number of years the firm has been operating (Voulgaris, Asteriou, & Agiomirgianakis, 2003; Lee & Marvel, 2009; Rosli & Sidek, 2013; Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016). Another is the firm's size (Lee & Marvel, 2009; Rosli & Sidek, 2013; Dut, 2015; Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016; Voulgaris, Asteriou, & Agiomirgianakis, 2003) that is defined by the number of employees an enterprise has (Lee & Marvel, 2009; Rosli & Sidek, 2013) or the natural logarithm of the number of employees (Valdez-Juárez, García-Pérez de Lema, & Maldonado-Guzmán, 2016) or the natural logarithm of revenue (Dut, 2015). Other variables include ratio of total assets to number of employees (Voulgaris, Asteriou, & Agiomirgianakis, 2003), firm's total assets (Gupta, Guha, & Krishnaswami, 2013), and individualism. It is suggested that an individualistic culture comprises of individuals who are motivated by personal goals. On the contrary, a collectivist culture comprises of individuals who try to subordinate their personal goals to those of a group they belong to (Rosenbusch, Brinckmann, & Bausch, 2011). Other control variables include both the owner's education, and business experience. The number of years the owner has spent in acquiring education as well as business experience define his or her education, and experience respectively (Rosli & Sidek, 2013). Women seem to dominate the bakery and pastry sector (Quaye, Onumah, Tortoe, Akonor, & Buckman, 2018). Although the effect of gender on SME performance seems to be insignificant (Lukianchuk, 2015), research confirms that women strongly recognise the link between risk management and firm's planning and controlling tasks than men who mainly

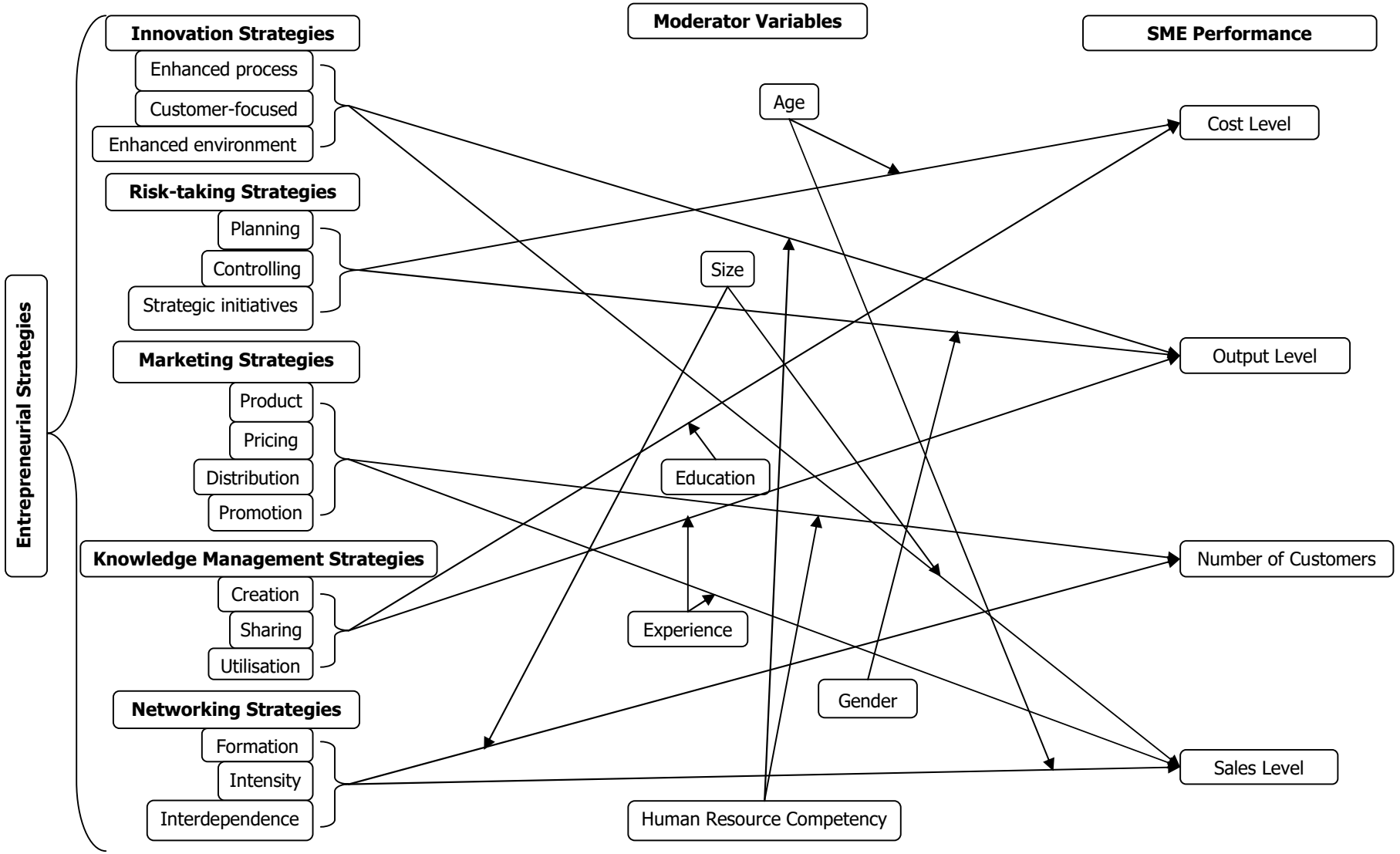
recognise the relationship with reporting duties (Gorzeń-Mitka, 2015). Nevertheless, male SME owners/managers demonstrate higher risk appetite than female owners/managers. The risk appetite is also higher in younger owners/managers than older ones (Falkner & Hiebl, 2015). However, in order to have an effective link between entrepreneurial strategies and SME performance, several moderator variables are used. These are SME age; SME size; owner's/manager's education; owner's/manager's business experience; owner's/manager's gender; and the human resource competency. The size and age are measured in terms of number of employees, and the number of years a bakery has been operating respectively. Size is categorised as basic size or advanced size. According to URT (2003), small enterprises are those with employees between five and forty nine. In this regard, these are small bakeries and this study categorises their size as basic size. The same policy defines medium enterprises as those with employees between fifty and ninety nine. In this regard, these are medium bakeries and this study categorises their size as advanced size. Literature confirms that the sales performance of SMEs increases in the first ten years. Thereafter, it may start to dwindle (Yeboah, 2015). In this regard, the age of small and medium-sized bakery is categorised as the basic age provided it is equal or younger than ten years, and advanced age if it is above ten years. This categorisation is also used as the basis for categorising the owner's/manager's experience. His/her business experience is therefore categorised as basic experience if it is equal or below ten years, or advanced experience if it is above ten years. Also, the owner's/manager's education level is measured in terms of the highest education level attained. This ranges from primary education to Doctorate or PhD. It is thereafter categorised as basic education or advanced education. Since an example of higher education level in developing economies has been at least a diploma (Radipere & Dhliwayo, 2014), this study defines basic education as all levels below diploma, and advanced education as all levels equal and above a diploma. On the other hand, human resource competency is assessed based on whether employees undergo necessary training, behave professionally, and are rewarded accordingly. Nevertheless, this study uses owner's/manager's gender (male/female) as one of its moderator variables. The analysis of: the entrepreneurial strategies in bakeries, their links with SME performance, the SME performance indicators, and the moderator variables are used to develop the proposed model of the study.

3.14 Conceptual Framework

As noted earlier, this study seeks to establish a framework that depicts the contribution of entrepreneurial strategies on SME performance based on the practices of all registered small and medium-sized bakeries in Mainland Tanzania. It specifically defines entrepreneurial strategies in terms of innovation, risk-taking, marketing, knowledge management, and networking. This study links these strategies with SME performance indicators: the level of operation and

production costs; production/output level; number of customers; and sales level. These links are moderated by SME age; SME size; owner's/manager's education; owner's/manager's business experience; human resource competency; and owner's/manager's gender. The study further categorises innovation strategies as enhanced innovation process, customer-focused innovation, and enhanced innovation environment. Innovation strategies are linked with SME performance: output level, and sales level, under the moderation of human resource competency, and SME size respectively. It also categorises risk-taking strategies in terms of controlling, planning, and strategic initiatives. Risk-taking strategies are linked with SME performance: cost level, and output level, under the moderation of SME age, and owner's/manager's gender respectively. Marketing strategies are categorised in terms of product, pricing, distribution, and promotion strategies. Marketing strategies are linked with SME performance: number of customers, and sales level, under the moderation of human resource competency, and owner's/manager's experience respectively. On the other hand, knowledge management strategies are classified as knowledge creation, knowledge sharing, and knowledge utilisation strategies. Knowledge management strategies are linked with SME performance: cost level, and output level, under the moderation of owner's/manager's education, and experience respectively. Networking strategies are classified as network formation, network intensity, and interdependence strategies. Networking strategies are linked with SME performance: number of customers, and sales level under the moderation of SME size, and age respectively. The conceptual framework is diagrammatically shown in Figure 3-1.

Figure 3-1: Conceptual Framework



3.15 Chapter Summary

The conceptual and empirical developments have become the basis for characterising the entrepreneurial strategies in this study, particularly in SME bakeries. In this chapter, entrepreneurial strategies in SME bakeries have been characterised as innovation: enhanced innovation process, customer-focused innovation, and enhanced innovation environment. Risk-taking strategies in SME bakeries are defined as risk planning, risk controlling, and strategic risk initiatives. This chapter has characterised the marketing strategies in SME bakeries as product, pricing, distribution, and promotion strategies. Also, the chapter has characterised entrepreneurial strategies in SME bakeries as knowledge management: knowledge creation, knowledge sharing, and knowledge utilisation. On the other hand, the networking strategies in SME bakeries are defined as network formation, network intensity, and interdependence. Additionally, both the moderator variables, and the performance indicators used in SME studies have been analysed. Various studies that have sought to establish the contribution of entrepreneurial strategies on SME performance have been analysed. The chapter has proposed that the relationship between entrepreneurial strategies and SME performance (cost level, output level, number of customers, and sales level) can be moderated by SME age, SME size, owner's/manager's education, owner's/manager's business experience, human resource competency, and owner's/manager's gender. Ultimately, the entrepreneurial strategies-SME performance framework has been proposed.

CHAPTER FOUR

METHODOLOGY

4.1 Introduction

This section explains about the study methodology. In this regard, by the study design and approaches are discussed. In this chapter, it is clearly indicated that the study has adopted a mixed methods approach. Also, the chapter discusses about the study site, study population, sample size, and sampling techniques. Therefore, the chapter confirms that the study took place in the United Republic of Tanzania, and its population comprised of 359 registered small and medium sized-bakeries. The sample size comprised of 186 bakeries. The chapter explains that a multi-stage sampling technique was applied. Additionally, the chapter explains about data collection approaches and the analysis techniques. This means that both the questionnaires and interviews were used in data collection. A total of 20 in-depth interviews were carried out to 20 registered small and medium sized-bakeries. It is also indicated that the Principal Component Analysis, the Moderator Analysis, and the Qualitative Content Analysis (Manifest Analysis) were the relevant data analysis techniques as highlighted in this chapter. Furthermore, the chapter highlights the measurement, the variables: independent, dependent, and the moderator, and the data quality control such as validity and reliability. In addition, the major assumptions are tested in this chapter. These are linearity, multicollinearity, unusual points, homoscedasticity, and normality.

4.2 Research Approach and Design

This study adopted both quantitative and qualitative approaches. The motive behind the adoption of mixed methods approach was to prevent the weaknesses that would arise if a single approach was used. Therefore, this study relied on the concurrent nested design because there was a predominance of an approach (Almeida, 2018). In this study, quantitative approach was predominant. The qualitative approach was an embedded one. Both quantitative and qualitative data were collected concurrently (Santos, Erdmann, Meirelles, Lanzoni, Cunha, & Ross, 2017).

4.3 The Study Site

The study took place in the United Republic of Tanzania. The United Republic of Tanzania is made up of Mainland Tanzania, and Zanzibar. However, the study was based in Mainland Tanzania. This is the largest part of Tanzania with twenty six (26) geographical regions while Zanzibar comprises of only five (5) regions.

4.4 Study Population

Before the Finance Act of 2019 introduced the new changes that brought the Tanzania Medicines and Medical Devices Authority (TMDA), the study population was established when the Tanzania Food and Drugs Authority (TFDA) was responsible in regulating and registering all bakeries in Mainland Tanzania. These responsibilities however have recently been shifted to Tanzania Bureau of Standards (TBS). According to TFDA (see Table 4-1), as of 2017, there were three hundred and fifty nine (359) registered bakeries operating in Mainland Tanzania comprising of small and medium-sized enterprises. The study population was therefore 359 bakeries. In order to establish the study population, all TFDA Zone Managers were involved in 2017.

4.5 Sample Size

The sample size is estimated based on Krejcie & Morgan's (1970) Table for sample size determination. With a population of 359 bakeries, the sample size becomes one hundred and eighty six (186) registered bakeries.

4.6 Sampling Strategies

A multi-stage sampling technique was applied. This technique "entails two or more stages of random sampling based on the hierarchical structure of natural clusters within the population" (Sedgwick, 2015, p. 1). It is useful when the population is geographically diverse (Etikan & Bala, 2017; Sedgwick, 2015). The intention of applying a multi-stage sampling technique was to accommodate all zones of the study area in sampling and make sure each zone was fairly represented. Firstly, all the twenty six (26) regions of Mainland Tanzania were stratified into seven (7) geographical zones based on TFDA's zone classification as shown in Table 4-1. Secondly, the study applied the Probability Proportional to Size (PPS) to decide on the number of bakeries incorporated in the sample from each zone as shown in Table 4-1. Lastly, respondents (bakeries from each zone) were identified by adopting a simple random sampling technique.

Table 4-1: Number of Bakeries Selected in Each Mainland Tanzania's Geographical Zone

Geographical Zone	Geographical Regions	Registered Bakeries	Number of Bakeries Selected (Sample size)
Central	Dodoma	13	21
	Morogoro	18	
	Singida	8	
Eastern	Dar es Salaam	177	94
	Pwani	4	
Lake	Geita	0	23
	Kagera	12	
	Mara	4	
	Mwanza	24	
	Shinyanga	4	
	Simiyu	1	
Northern	Arusha	31	23
	Kilimanjaro	7	
	Manyara	1	
	Tanga	4	
Southern	Lindi	1	9
	Mtwara	9	
	Ruvuma	8	
Southern Highlands	Iringa	5	12
	Mbeya	12	
	Njombe	1	
	Rukwa	5	
	Songwe	2	
Western	Katavi	1	4
	Kigoma	2	
	Tabora	5	
Total		359	186

4.7 Data Collection

Data were collected using questionnaires that were distributed in person to bakery owners/managers. Each bakery filled in one questionnaire. A total of one hundred and sixty one (161) questionnaires received a positive response as shown in Table 4-2. Nevertheless, a total of twenty (20) in depth interviews were carried out to supplement the information provided by the questionnaires. Although twenty (20) in depth interviews to the SME owners/managers were adopted by Resnick, Cheng, Simpson, & Lourenço (2016), the aim of this study was to reach a level of saturation. In this regard, the researcher began with Dar es Salaam region followed by Mwanza, Arusha, Morogoro, Dodoma, and Mbeya regions. However, the number of interviewed bakeries in each zone was determined using the same techniques adopted in this study. These were the Probability Proportional to Size (PPS) and the simple random sampling technique. The interviewed bakeries were as follows: Dodoma (1 bakery), Morogoro (2 bakeries), Dar es Salaam (10 bakeries), Mwanza (3 bakeries), Arusha (3 bakeries), and Mbeya (1 bakery).

Table 4-2: Questionnaire's Response Rate by Geographical Region and Zone

Zone	Region	Distribution per Region	Distribution per Zone	Response per Region	Response per Zone	Percentage Response per Region	Percentage Response per Zone
Central	Dodoma	9	21	9	19	100.00	90.48
	Morogoro	10		9		90.00	
	Singida	2		1		50.00	
Eastern	Dar es Salaam	94	94	78	78	82.98	82.98
	Pwani	0		N/A		N/A	
Lake	Geita	N/A	23	N/A	19	N/A	82.61
	Kagera	7		6		85.71	
	Mara	2		2		100.00	
	Mwanza	11		8		72.73	
	Shinyanga	2		2		100.00	
	Simiyu	1		1		100.00	
Northern	Arusha	18	23	17	22	94.44	95.65
	Kilimanjaro	3		3		100.00	
	Manyara	1		1		100.00	
	Tanga	1		1		100.00	
Southern	Lindi	0	9	N/A	7	N/A	77.78
	Mtwara	4		2		50.00	
	Ruvuma	5		5		100.00	
Southern Highlands	Iringa	2	12	2	12	100.00	100.00
	Mbeya	8		8		100.00	
	Njombe	0		N/A		N/A	
	Rukwa	2		2		100.00	
	Songwe	0		N/A		N/A	
Western	Katavi	0	4	N/A	4	N/A	100.00
	Kigoma	2		2		100.00	
	Tabora	2		2		100.00	
Total		359	186	161			86.56

4.8 Data Analysis

The Principal Component Analysis (PCA) and the Moderator Analysis were used in the analysis. PCA was adopted for variable reduction (Karamizadeh, Abdullah, Manaf, Zamani, & Hooman, 2013). The Principal Component Analysis analyses all categories of entrepreneurial strategies and makes data reduction among various forms of strategies in each of the five entrepreneurial strategies: innovation, risk-taking, marketing, knowledge management, and networking. Thereafter, the Moderator Analysis was used to analyse their relationship with SME performance. The Moderator Analysis was adopted for establishing whether the moderating effects did exist (Memon, Cheah, Ramayah, Ting, Chuah, & Cham, 2019). This study adopted a Qualitative Content Analysis to supplement the quantitative analysis. According to Bengtsson (2016, p. 10), "in qualitative content analysis, data are presented in words and themes, which makes it possible to draw some interpretation of the results". The adopted qualitative content analysis was the manifest analysis. In this analysis, "the researcher describes *what* the informants actually say, stays very close to the text, uses the words themselves, and describes the visible and obvious in the text" (Bengtsson, 2016, p. 10).

4.9 Measurements

The seven-point Likert scale was used to collect responses on independent, and dependent variables. The mean scores were established for each independent variable. Except for 'gender'

that is automatically dichotomous; all the data for the moderator variables were grouped to form dichotomous variables.

4.10 Variables

The study involves independent variables, moderator variables, and dependent variables.

4.10.1 Independent Variables

The independent variables fall in the categories of innovation strategies, risk-taking strategies, marketing strategies, knowledge management strategies, and networking strategies.

4.10.1.1 Independent Variables: Innovation Strategies

The following are the independent variables under the category of innovation strategies.

4.10.1.1(a) Enhanced Innovation Process

This study characterises the enhanced innovation process (EIP) in SME bakeries as the commitment of bakeries in frequently encouraging their employees to generate ideas that will improve bakery products (EIP1); the commitment of bakeries in fully analysing all the reasons for any improvement made to bakery products (EIP2); the commitment of bakeries in ensuring that their employees have a relevant knowledge and technical know-how needed to improve bakery products (EIP3); the commitment of bakeries in testing the performance of any improvement made to bakery products (EIP4); and the commitment of bakeries in frequently evaluating the performance of any improvement made to bakery products (EIP5).

4.10.1.1(b) Customer-Focused Innovation

The study characterises the customer-focused innovation (CFI) in SME bakeries as the commitment of bakeries in ensuring that any improvement made to their products, or processes, or operating environment is consistent with their customers' preferences and interests (CFI1); the commitment of bakeries in ensuring that any improvement made to their products, or processes, or operating environment can easily be considered and understood by their customers (CFI2); the commitment of bakeries in ensuring that any improvement made to their products, or processes, or operating environment benefits their customers (CFI3); the commitment of bakeries in ensuring that any improvement made to their products, or processes, or operating environment can easily be observed and explained by their customers (CFI4); the commitment of bakeries in constantly requesting their customers to suggest any area of improvement with regard to their products, or processes, or operating environment (CFI5).

4.10.1.1(c) Enhanced Innovation Environment

The study characterises the enhanced innovation environment (EIE) in SME bakeries as the commitment of bakeries in ensuring that their operating environment facilitates innovation

(EIE1); the commitment of bakeries in ensuring that their employees perform tasks that are appealing and are personally challenging (EIE2); the commitment of bakeries in ensuring that all improvement tasks are assigned to individuals who are motivated to perform them (EIE3); the readiness of bakery's management to support ideas and other improvement initiatives from their employees (EIE4); and the readiness of bakeries to bear the result's consequences, and reveal a sense of perseverance, and tolerance whenever engaged in improving their products, or processes, or operating environment (EIE5).

4.10.1.2 Independent Variables: Risk Taking Strategies

The following are the independent variables under the category of risk-taking strategies.

4.10.1.2(a) Risk Planning

The study characterises the risk planning (PI) in SME bakeries as the commitment of bakeries to ensure that they have the relevant knowledge and technical know-how to foresee potential hazards (PI1); the commitment of bakeries to integrate potential hazards in their day to day operations (PI2); the commitment of bakeries to make an in-depth analysis before entering any contract with any supplier or business partner (PI3); the commitment of bakeries to frequently find whether there are any changes in their business environment related to pricing, technology, products, policies, and legal requirements (PI4); and the capabilities of bakeries to develop and use a backup plan whenever unexpected changes in their business and operating environment happen (PI5).

4.10.1.2(b) Risk Controlling

The study characterises the risk controlling (CI) in SME bakeries as the commitment of bakeries to replace bakery appliances and other equipment with new ones as per technical advice (CI1); the commitment of bakeries to frequently evaluate the performance of their contracts with their suppliers, agents or business partners (CI2); the commitment of bakeries to frequently test the performance of their product development processes (CI3); the commitment of bakeries to frequently test the performance of their operating procedures (CI4); and the commitment of bakeries to frequently request for feedback from customers with regard to their product performance in terms of price, packaging, ingredients, and taste (CI5).

4.10.1.2(c) Strategic Risk Initiatives

The study characterises the strategic risk initiatives (SI) in SME bakeries as the commitment of bakeries to frequently analyse the strengths and weaknesses of their major competitors (SI1); the commitment of bakeries to frequently request for feedback from employees about their satisfaction level against their working environment (SI2); the readiness of bakeries in incurring any additional cost to meet their customers' demands (SI3); the readiness of bakeries in

incurring any additional cost to comply with the legal requirements (SI4); the readiness of bakeries in investing in any risky business that will yield significant returns (SI5); and the commitment of bakeries in applying and acquiring big loans (SI6).

4.10.1.3 Independent Variables: Marketing Strategies

The following are the independent variables under the category of marketing strategies.

4.10.1.3(a) Product Strategies

The study characterises the product strategies (PS) in SME bakeries as the commitment of bakeries in heavily concentrating on product packaging (PS1); the commitment of bakeries to frequently add new products in their markets (PS2); the commitment of bakeries to frequently remove poorly performing products (PS3); the commitment of bakeries in increasing their product reputation (PS4); and the commitment of bakeries to ensure that their product features are customer-driven (PS5).

4.10.1.3(b) Pricing Strategies

The study characterises the pricing strategies (PRS) in SME bakeries as the commitment of bakeries in considering customer satisfaction as a key factor in price setting (PRS1); the commitment of bakeries in offering various forms of discounts (PRS2); commitment of bakeries in offering market driven prices (PRS3); the commitment of bakeries in linking product quality and price (PRS4); and the commitment of bakeries in ensuring that bakery prices differ from those of competitors (PRS5).

4.10.1.3(c) Distribution Strategies

The study characterises the distribution strategies (DS) in SME bakeries as the commitment of bakeries to deliver customer orders on time (DS1); the commitment of bakeries to frequently deliver products as per customer's requirements (DS2); the commitment of bakeries to ensure that the product delivery costs are borne by the bakery (DS3); the commitment of bakeries in using agents to distribute their products (DS4); the commitment of bakeries to ensure that they have the best storage facilities (DS5); and the commitment of bakeries to ensure that they reduce order processing time (DS6).

4.10.1.3(d) Promotion Strategies

The study characterises the promotion strategies (PM) in SME bakeries as the commitment of bakeries to communicate their products through leaflets and brochures (PM1); the commitment of bakeries to communicate their products through social media (PM2); the commitment of bakeries to personally communicate their products to potential individual customers (PM3); commitment of bakeries to personally communicate their products to potential agents (PM4); the commitment of bakeries to communicate their products through employee reputation (PM5);

and the commitment of bakeries to make the management of their relationship with customers as their core duty (PM6).

4.10.1.4 Independent Variables: Knowledge Management Strategies

The following are the independent variables under the category of knowledge management strategies.

4.10.1.4(a) Knowledge Creation

The study characterises knowledge creation (KC) in SME bakeries as the commitment of bakeries to ensure that their employees always develop ideas that will improve their products, or processes, or operating environment (KC1); the commitment of bakeries to ensure that their working environment allows employees to generate ideas with regard to the improvement of their products, or processes, or operating environment (KC2); the commitment of bakeries to regularly train their employees regarding how to analyse information from the customers, suppliers, agents, or business partners (KC3); the commitment of bakeries to link the employee-given ideas with those given by customers, suppliers, agents, or business partners in order to acquire a common ground (KC4); and the commitment of bakeries to put mechanisms in place on how to receive suggestions, complaints, ideas, or any relevant information from their customers, suppliers, agents, or business partners (KC5).

4.10.1.4(b) Knowledge Sharing

The study characterises knowledge sharing (KS) in SME bakeries as the commitment of bakeries to ensure that their employees share any idea, or information that can improve their products, or processes, or operating environment (KS1); the commitment of bakeries to ensure that all information or ideas regarding the improvement of their products, or processes, or operating environment are openly discussed by all staff (KS2); the commitment of bakeries to ensure that their working environment allows employees to share, and discuss ideas or information regarding the improvement of their products, or processes, or operating environment (KS3); the commitment of bakeries to ensure that there is a maximum interaction between employees and customers, suppliers, agents, or business partners (KS4); and the commitment of bakeries to ensure that the feedback on the progress of the employee-given/generated information is given timely (KS5).

4.10.1.4(c) Knowledge Utilisation

The study characterises knowledge utilisation (KU) as the commitment of bakeries to ensure that their employees apply any ideas, or information from their colleagues to improve bakery products, or processes, or operating environment (KU1); the commitment of bakeries to rely on the information or ideas given by customers, suppliers, agents, or business partners (KU2); the

commitment of bakeries to regularly train their employees regarding how to report information to the customers, suppliers, agents, or business partners (KU3); the capabilities of bakeries to store, retrieve, and use data to improve their products, or processes, or operating environment (KU4); and the commitment of bakeries to ensure that after applying the generated ideas or given information, they frequently evaluate their impact on the improvement of their products, processes or operating environment (KU5).

4.10.1.5 Independent Variables: Networking Strategies

The following are the independent variables under the category of networking strategies.

4.10.1.5(a) Network Formation

The study characterises network formation (NF) in SME bakeries as the commitment of bakeries to frequently communicate their businesses to their family members, friends, and social groups (NF1); the commitment of bakeries to understand the interests of their family members/friends/fellow members of the social groups in relation to their business (NF2); the commitment of bakeries to constantly train themselves regarding communication, and relationship skills (NF3); the commitment of bakeries to constantly seek to create new relationships with individuals who are not family members/friends/fellow members of the social groups (NF4); and the commitment of bakeries to greatly interact with individuals based on the connections made by family members/friends/fellow members of the social groups (NF5).

4.10.1.5(b) Network Intensity

The study characterises network intensity (NI) in SME bakeries as the commitment of bakeries in ensuring that their businesses are well known by their family members/friends/fellow members of the social groups (NI1); the commitment of bakeries to ensure that their relationship with their family members, friends, and fellow members of the social groups is sustained by trust (NI2); the commitment of bakeries to frequently interact with family members/friends/fellow members of the social groups in various social gatherings/events, and support them accordingly (NI3); the commitment of bakeries to heavily seek to avoid, reduce and manage misunderstandings or differences between them and family members/friends/fellow members of the social groups (NI4); the commitment of bakeries to constantly seek to strengthen the most benefiting relationship between them and family members/friends/fellow members of the social groups (NI5); and the commitment of bakeries to ensure that their relationships with family members/friends/fellow members of the social groups is sustained by frequent interactions (NI6).

4.10.1.5(c) Interdependence

The study has characterised interdependence strategies (ND) in SME bakeries as the commitment of bakeries to support the businesses run by family members/friends/fellow members of the social groups (ND1); the commitment of bakeries in ensuring that they receive relevant information regarding their businesses from family members, friends, and fellow members of the social groups (ND2); the commitment of bakeries to ensure that family members/friends/fellow members of the social groups greatly act in order to please them (ND3); the commitment of bakeries to greatly and constantly act to please their family members/friends/fellow members of the social groups (ND4); and the commitment of bakeries to ensure that their relationships with family members/friends/fellow members of the social groups are based on mutual benefit (ND5).

4.10.2 Moderator Variables

As mentioned earlier, the study involves several moderator variables. These include bakery age (A), bakery size (S), bakery owner's/manager's education (E), bakery owner's/manager's business experience (X), bakery owner's/manager's gender (G), and bakery human resource competency (HRC). The bakery age is categorised as advanced age (AA), and basic age (BA). It is measured as AA (A>10years), and BA (A≤10years). The bakery size is categorised as advanced size (AS), and basic size (BS). It is measured as AS (50≤S≤99employees), and BS (S<50employees). The bakery owner's/manager's education is categorised as advanced education (AE), and basic education (BE). It is measured as AE (E≥diploma level), and BE (E<diploma level). The bakery owner's/manager's business experience is categorised as advanced business experience (AX), and basic business experience (BX). It is measured as AX (A>10years), and BX (A≤10years). The bakery owner's/manager's gender is categorised as male (M), and female (F). The bakery human resource competency is categorised as advanced level of employee professional behaviour, training, and reward (AL), and low level of employee professional behaviour, training, and reward (LL). It is measured as AL (agreement level >50%), and LL (agreement level <50%).

4.10.3 Dependent Variables

As mentioned earlier, the study involves several dependent variables. These include cost level (CT), output level (OT), number of customers (CM), and sales level (SL).

4.11 Data Quality Control

This study tested both validity and reliability. The aim was to test whether the items in the questionnaires measured the constructs. Nevertheless, the study aimed at testing whether there was a good level of internal consistency.

4.11.1 Validity

The study developed several variables that characterise the study constructs. The PCA was employed to test whether the items in the questionnaires measured the constructs. The PCA was run with all variables associated with entrepreneurial strategies and it was found from the correlation matrices (see Table 5-2, Table 5-25, Table 5-48, Table 5-77, and Table 5-100 in the findings section) that all variables (except SI6 characterising risk-taking), had at least one correlation with another variable; where $r \geq 0.3$. As shown in Table 4-3, SI6 did not have at least one correlation with another variable. Therefore, SI6 was removed and the PCA was re-run. After removing SI6 all variables had at least one correlation with another variable; where $r \geq 0.3$ (see Table 5-25 in the findings section). As shown in Table 5-3, Table 5-26, Table 5-49, Table 5-78, and Table 5-101 in the findings section, the overall KMO measure gave the following values: 0.917 (innovation), 0.886 (risk-taking), 0.886 (marketing), 0.889 (knowledge management), and 0.927 (networking). Also, in all cases, as shown in Table 5-3, Table 5-26, Table 5-49, Table 5-78, and Table 5-101 in the findings section, the Bartlett's Test of Sphericity was statistically significant, $p = .000$ ($p < .0005$). These results confirmed that there was adequacy of sampling. Additionally, all of the Rotated Component Matrix tables (see Table 5-6, Table 5-29, Table 5-52, Table 5-81, Table 5-104 in the findings section) appeared to be simple structures in which each variable had only one component loading strongly on it. Also, each component loaded strongly on at least three variables. Therefore, validity was confirmed.

Table 4-3: Correlation Matrix (Risk-taking with SI6)

Variable	PI1	PI2	PI3	PI4	PI5	CI1	CI2	CI3	CI4	CI5	SI1	SI2	SI3	SI4	SI5	SI6
PI1	1.000															
PI2	.678	1.000														
PI3	.426	.550	1.000													
PI4	.483	.448	.625	1.000												
PI5	.471	.483	.462	.490	1.000											
CI1	.456	.382	.495	.505	.599	1.000										
CI2	.439	.410	.567	.513	.606	.650	1.000									
CI3	.433	.558	.467	.526	.493	.486	.515	1.000								
CI4	.329	.452	.381	.465	.362	.343	.483	.686	1.000							
CI5	.415	.473	.404	.430	.354	.369	.439	.620	.662	1.000						
SI1	.413	.441	.377	.424	.374	.439	.430	.582	.613	.708	1.000					
SI2	.320	.419	.298	.423	.205	.273	.309	.537	.555	.559	.530	1.000				
SI3	.353	.403	.310	.481	.205	.264	.291	.403	.394	.510	.535	.690	1.000			
SI4	.295	.427	.317	.409	.269	.242	.199	.436	.361	.458	.363	.579	.678	1.000		
SI5	.276	.395	.424	.340	.461	.375	.418	.480	.400	.302	.331	.445	.391	.445	1.000	
SI6	.092	.074	.088	.044	.184	.225	.166	.099	-.038	.042	.068	.047	.022	.027	.220	1.000

4.11.2 Reliability

All the values of Cronbach's alpha are at least 0.700 except for 'pricing' (0.677), and 'promotion' (0.695) as shown in Table 4-4. However, the two values are not below 0.600 and are very close to 0.700. This is because; a value of Cronbach's alpha less than 0.600 is insufficient (Burns & Burns, 2008; Gill & Johnson, 2010). Nevertheless, a value of Cronbach's alpha that is at least 0.700 is considered sufficient (DeVellis, 2003; Kline, 2005) although there are some limitations with regard to this value (Taber, 2018). It is therefore concluded that in all cases, the scale is found to have a good level of internal consistency.

Table 4-4: Reliability Statistics

Construct	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
Enhanced Innovation Process	.886	.888	5
Customer-Focused Innovation	.865	.868	5
Enhanced Innovation Environment	.809	.810	5
Risk Planning	.837	.840	5
Risk Controlling	.844	.847	5
Strategic Risk Initiatives	.821	.833	5
Product	.780	.797	5
Pricing	.677	.694	5
Distribution	.841	.857	6
Promotion	.695	.701	6
Knowledge Creation	.741	.740	5
Knowledge Sharing	.816	.819	5
Knowledge Utilisation	.820	.822	5
Network Formation	.872	.872	5
Network Intensity	.892	.893	6
Interdependence	.865	.867	5

4.12 Testing for Assumptions

The major assumptions tested were linearity, multicollinearity, unusual points, homoscedasticity, and normality.

4.12.1 Testing for Linearity

Linearity was established by visual inspection of a scatterplot between: output level and enhanced innovation process; sales level and enhanced innovation process; output level and customer-focused innovation; sales level and customer-focused innovation; output level and enhanced innovation environment; and sales level and enhanced innovation environment. Linearity was also established by visual inspection of a scatterplot between: cost level and risk planning; output level and risk planning; cost level and risk controlling; output level and risk controlling; cost level and strategic risk initiatives; and output level and strategic risk initiatives. Linearity was also established by visual inspection of a scatterplot between: number of customers and product strategies; sales level and product strategies; number of customers and pricing strategies; sales level and pricing strategies; number of customers and distribution strategies; sales level and distribution strategies; number of customers and promotion strategies; and sales level and promotion strategies. Linearity was also established by visual inspection of a scatterplot between: cost level and knowledge creation; output level and knowledge creation; cost level and knowledge sharing; output level and knowledge sharing; cost level and knowledge utilisation; and output and knowledge utilisation. Linearity was also established by visual inspection of a scatterplot between: number of customers and network formation; sales level and network formation; number of customers and network intensity; sales level and network intensity; number of customers and interdependence strategies; and sales level and interdependence.

4.12.2 Testing for Multicollinearity

There was no evidence of multicollinearity as shown in Table 4-5.

Table 4-5: Testing for Multicollinearity

Independent Variable	Moderator Variable	Dependent Variable	Tolerance	VIF	Results
EIP	HRC	OT	Lowest is 0.106	Greatest is 9.434	No evidence of multicollinearity
EIP	S	SL	Lowest is 0.391	Greatest is 2.560	No evidence of multicollinearity
CFI	HRC	OT	Lowest is 0.104	Greatest is 9.611	No evidence of multicollinearity
CFI	S	SL	Lowest is 0.364	Greatest is 2.748	No evidence of multicollinearity
EIE	HRC	OT	Lowest is 0.101	Greatest is 9.932	No evidence of multicollinearity
EIE	S	SL	Lowest is 0.167	Greatest is 5.998	No evidence of multicollinearity
PI	A	CT	Lowest is 0.116	Greatest is 8.646	No evidence of multicollinearity
PI	G	OT	Lowest is 0.102	Greatest is 9.811	No evidence of multicollinearity
CI	A	CT	Lowest is 0.122	Greatest is 8.212	No evidence of multicollinearity
CI	G	OT	Lowest is 0.111	Greatest is 8.991	No evidence of multicollinearity
SI	A	CT	Lowest is 0.105	Greatest is 9.522	No evidence of multicollinearity
SI	G	OT	Lowest is 0.124	Greatest is 8.050	No evidence of multicollinearity
PS	HRC	CM	Lowest is 0.104	Greatest is 9.614	No evidence of multicollinearity
PS	X	SL	Lowest is 0.110	Greatest is 9.060	No evidence of multicollinearity
PRS	HRC	CM	Lowest is 0.101	Greatest is 9.897	No evidence of multicollinearity
PRS	X	SL	Lowest is 0.146	Greatest is 6.856	No evidence of multicollinearity
DS	HRC	CM	Lowest is 0.101	Greatest is 9.891	No evidence of multicollinearity
DS	X	SL	Lowest is 0.123	Greatest is 8.146	No evidence of multicollinearity
PM	HRC	CM	Lowest is 0.109	Greatest is 9.194	No evidence of multicollinearity
PM	X	SL	Lowest is 0.137	Greatest is 7.319	No evidence of multicollinearity
KC	E	CT	Lowest is 0.146	Greatest is 6.852	No evidence of multicollinearity
KC	X	OT	Lowest is 0.127	Greatest is 7.846	No evidence of multicollinearity
KS	E	CT	Lowest is 0.115	Greatest is 8.720	No evidence of multicollinearity
KS	X	OT	Lowest is 0.134	Greatest is 7.472	No evidence of multicollinearity
KU	E	CT	Lowest is 0.120	Greatest is 8.307	No evidence of multicollinearity
KU	X	OT	Lowest is 0.142	Greatest is 7.046	No evidence of multicollinearity
NF	S	CM	Lowest is 0.200	Greatest is 4.997	No evidence of multicollinearity
NF	A	SL	Lowest is 0.142	Greatest is 7.066	No evidence of multicollinearity
NI	S	CM	Lowest is 0.238	Greatest is 4.204	No evidence of multicollinearity
NI	A	SL	Lowest is 0.102	Greatest is 9.757	No evidence of multicollinearity
ND	S	CM	Lowest is 0.171	Greatest is 5.850	No evidence of multicollinearity
ND	A	SL	Lowest is 0.134	Greatest is 7.487	No evidence of multicollinearity

4.12.3 Unusual Points

The unusual points were examined based on outliers, leverage points, and influential cases.

4.12.3.1 Enhanced Innovation Process and Output Level, under HRC

Based on Table 4-6, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-6: Unusual Points (EIP and OT, under HRC)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
1	No	.05427	No
10	No	.06880	No
24	No	.33139	No
25	No	.30963	No
35	No	.05427	No
44	No	.05088	No
59	No	.06880	No
77	No	.16018	No
80	No	.08176	No
86	No	.07767	No
97	No	.06418	No
98	No	.07226	No
137	No	.06880	No
152	No	.09863	No
158	No	.08762	No

4.12.3.2 Enhanced Innovation Process and Sales Level, under S

Based on Table 4-7, there is no any significant difference in the values (leverage point). Nevertheless, there is no any outlier. An influential case (1.18299) reported is not significant. Therefore, these observations are kept in the analysis.

Table 4-7: Unusual Points (EIP and SL, under S)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
67	No	.09474	No
94	No	.17093	No
97	No	.78807	1.18299
108	No	.05467	No
116	No	.17093	No
117	No	.09474	No
118	No	.11760	No
119	No	.17093	No
120	No	.14046	No
127	No	.09474	No

4.12.3.3 Customer-Focused Innovation and Output Level, under HRC

Based on Table 4-8, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-8: Unusual Points (CFI and OT, under HRC)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
6	No	.05204	No
7	No	.17026	No
10	No	.13752	No
11	No	.05767	No
13	No	.05767	No
35	No	.06858	No
58	No	.10443	No
59	No	.06858	No
72	No	.06858	No
77	No	.19726	No
80	No	.19726	No
86	No	.06858	No
97	No	.08754	No
108	No	.07203	No
143	No	.06134	No
152	No	.11649	No
157	No	.09865	No
158	No	.09799	No

4.12.3.4 Customer-Focused Innovation and Sales Level, under S

Based on Table 4-9, there is no any significant difference in the values (leverage point). Nevertheless, there is no any outlier. An influential case (1.18299) reported is not significant. Therefore, these observations are kept in the analysis.

Table 4-9: Unusual Points (CFI and SL, under S)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
47	No	.10049	No
67	No	.09564	No
94	No	.19898	1.18299
97	No	.33047	No
116	No	.10496	No
117	No	.38467	No
118	No	.19079	No
119	No	.21852	No
120	No	.24491	No
127	No	.13309	No

4.12.3.5 Enhanced Innovation Environment and Output Level, under HRC

Based on Table 4-10, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-10: Unusual Points (EIE and OT, under HRC)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
7	No	.12378	No
10	No	.13702	No
11	No	.06228	No
12	No	.05165	No
13	No	.05169	No
35	No	.05610	No
44	No	.07611	No
59	No	.05169	No
71	No	.06817	No
72	No	.05610	No
77	No	.36685	No
80	No	.14880	No
86	No	.11348	No
97	No	.06817	No
107	No	.07701	No
137	No	.06228	No
158	No	.09318	No

4.12.3.6 Enhanced Innovation Environment and Sales Level, under S

Based on Table 4-11, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-11: Unusual Points (EIE and SL, under S)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
47	No	.13471	No
67	No	.11340	No
94	No	.22188	No
97	No	.09403	No
116	No	.14827	No
117	No	.09984	No
118	No	.09984	No
119	No	.39040	No
120	No	.24512	No
127	No	.39040	No

4.12.3.7 Risk Planning and Cost Level, under A

Based on Table 4-12, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-12: Unusual Points (PI and CT, under A)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
2	No	.06601	No
7	No	.10423	No
16	No	.06601	No
41	No	.06601	No
61	No	.05367	No
63	No	.05367	No
80	No	.06788	No
103	No	.05361	No
106	No	.16737	No
134	No	.11115	No
140	No	.27906	No

4.12.3.8 Risk Planning and Output Level, under G

Based on Table 4-13, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-13: Unusual Points (PI and OT, under G)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
6	No	.08970	No
7	No	.08970	No
51	No	.14923	No
80	No	.08970	No
103	No	.07062	No
140	No	.07062	No

4.12.3.9 Risk Controlling and Cost Level, under A

Based on Table 4-14, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-14: Unusual Points (CI and CT, under A)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
2	No	.07491	No
7	No	.10782	No
37	No	.06066	No
41	No	.07491	No
80	No	.07581	No
97	No	.07326	No
106	No	.08945	No
123	No	.08945	No
131	No	.07326	No
145	No	.08945	No

4.12.3.10 Risk Controlling and Output Level, under G

Based on Table 4-15, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-15: Unusual Points (CI and OT, under G)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
77	No	.14007	No
80	No	.17456	No
90	No	.05795	No
107	No	.06617	No
108	No	.08344	No
134	No	.05030	No
158	No	.08344	No
161	No	.06617	No

4.12.3.11 Strategic Risk Initiatives and Cost Level, under A

Based on Table 4-16, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-16: Unusual Points (SI and CT, under A)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
46	No	.11382	No
89	No	.06683	No
93	No	.11382	No
104	No	.06683	No
105	No	.06683	No
116	No	.10151	No
117	No	.11099	No
118	No	.10898	No
119	No	.10280	No
120	No	.10280	No
127	No	.10044	No

4.12.3.12 Strategic Risk Initiatives and Output Level, under G

Based on Table 4-17, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-17: Unusual Points (SI and OT, under G)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
7	No	.09476	No
77	No	.13018	No
79	No	.05347	No
90	No	.10107	No
92	No	.06004	No
103	No	.06565	No
104	No	.21996	No
105	No	.10107	No
108	No	.07942	No
115	No	.06104	No
145	No	.07975	No

4.12.3.13 Product Strategies and Number of Customers, under HRC

Based on Table 4-18, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-18: Unusual Points (PS and CM, under HRC)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
10	No	.07131	No
13	No	.07131	No
32	No	.06882	No
44	No	.20989	No
59	No	.10533	No
72	No	.20408	No
77	No	.14682	No
86	No	.12691	No
90	No	.07284	No
137	No	.10533	No
143	No	.20408	No

4.12.3.14 Product Strategies and Sales Level, under X

Based on Table 4-19, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-19: Unusual Points (PS and SL, under X)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
9	No	.07135	No
13	No	.06622	No
18	No	.06502	No
22	No	.09584	No
23	No	.06694	No
30	No	.06694	No
62	No	.06694	No
95	No	.07793	No
100	No	.05314	No
101	No	.05314	No
123	No	.06681	No
140	No	.06883	No
142	No	.07002	No

4.12.3.15 Pricing Strategies and Number of Customers, under HRC

Based on Table 4-20, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-20: Unusual Points (PRS and CM, under HRC)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
1	No	.08982	No
6	No	.22606	No
7	No	.11631	No
10	No	.08982	No
11	No	.05111	No
12	No	.06830	No
44	No	.10870	No
45	No	.06103	No
58	No	.06103	No
59	No	.05111	No
97	No	.05111	No
117	No	.05072	No
137	No	.08982	No
143	No	.16521	No
152	No	.26097	No
158	No	.05111	No

4.12.3.16 Pricing Strategies and Sales Level, under X

Based on Table 4-21, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-21: Unusual Points (PRS and SL, under X)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
1	No	.08982	No
6	No	.22606	No
7	No	.11631	No
10	No	.08982	No
11	No	.05111	No
12	No	.06830	No
44	No	.10870	No
45	No	.06103	No
58	No	.06103	No
59	No	.05111	No
77	No	.09634	No
97	No	.05111	No
117	No	.05072	No
137	No	.08982	No
143	No	.16521	No
152	No	.26097	No
158	No	.05111	No

4.12.3.17 Distribution Strategies and Number of Customers, under HRC

Based on Table 4-22, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-22: Unusual Points (DS and CM, under HRC)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
1	No	.07816	No
4	No	.04984	No
6	No	.18361	No
7	No	.27627	No
10	No	.11921	No
13	No	.05697	No
32	No	.05697	No
35	No	.07816	No
45	No	.05697	No
77	No	.08290	No
80	No	.08290	No
86	No	.08705	No
89	No	.08378	No
90	No	.08378	No
137	No	.09686	No
143	No	.11381	No
147	No	.10025	No
158	No	.13899	No

4.12.3.18 Distribution Strategies and Sales Level, under X

Based on Table 4-23, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-23: Unusual Points (DS and SL, under X)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
4	No	.05786	No
6	No	.14562	No
7	No	.21139	No
77	No	.05119	No
80	No	.05119	No
89	No	.12242	No
90	No	.09775	No
143	No	.07250	No
147	No	.14562	No
158	No	.08890	No

4.12.3.19 Promotion Strategies and Number of Customers, under HRC

Based on Table 4-24, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-24: Unusual Points (PM and CM, under HRC)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
6	No	.07767	No
7	No	.21571	No
10	No	.27728	No
11	No	.09144	No
13	No	.06506	No
35	No	.12356	No
44	No	.10578	No
58	No	.05569	No
59	No	.05645	No
77	No	.14344	No
80	No	.06601	No
86	No	.12528	No
89	No	.05171	No
90	No	.05171	No
137	No	.05569	No

4.12.3.20 Promotion Strategies and Sales Level, under X

Based on Table 4-25, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-25: Unusual Points (PM and SL, under X)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
4	No	.06339	No
7	No	.08044	No
15	No	.05530	No
40	No	.06158	No
41	No	.06158	No
90	No	.07898	No
94	No	.06158	No
96	No	.06274	No
131	No	.08044	No

4.12.3.21 Knowledge Creation and Cost Level, under E

Based on Table 4-26, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-26: Unusual Points (KC and CT, under E)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
12	No	.07197	No
70	No	.05174	No
77	No	.12680	No
80	No	.09909	No
104	No	.05456	No
107	No	.08347	No
108	No	.07501	No
113	No	.13863	No
115	No	.15814	No
135	No	.07197	No

4.12.3.22 Knowledge Creation and Output Level, under X

Based on Table 4-27, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-27: Unusual Points (KC and OT, under X)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
2	No	.04973	No
9	No	.04973	No
12	No	.05316	No
16	No	.04973	No
41	No	.04973	No
61	No	.04973	No
70	No	.10136	No
77	No	.07979	No
80	No	.06140	No
94	No	.04973	No
96	No	.08533	No
107	No	.06140	No
115	No	.10073	No
123	No	.05792	No
131	No	.08533	No
136	No	.05316	No

4.12.3.23 Knowledge Sharing and Cost Level, under E

Based on Table 4-28, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-28: Unusual Points (KS and CT, under E)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
7	No	.09547	No
12	No	.07209	No
77	No	.16422	No
90	No	.07521	No
113	No	.08334	No
115	No	.08569	No
135	No	.05224	No
142	No	.12160	No
153	No	.06172	No

4.12.3.24 Knowledge Sharing and Output Level, under X

Based on Table 4-29, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-29: Unusual Points (KS and OT, under X)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
1	No	.06126	No
7	No	.12772	No
12	No	.05706	No
70	No	.09786	No
73	No	.05125	No
77	No	.12975	No
90	No	.05706	No
113	No	.06556	No
115	No	.06556	No
142	No	.16195	No

4.12.3.25 Knowledge Utilisation and Cost Level, under E

Based on Table 4-30, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-30: Unusual Points (KU and CT, under E)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
7	No	.07947	No
12	No	.09209	No
18	No	.10569	No
77	No	.06030	No
89	No	.09034	No
90	No	.10183	No
103	No	.06957	No
106	No	.05177	No
142	No	.05177	No
145	No	.12704	No

4.12.3.26 Knowledge Utilisation and Output Level, under X

Based on Table 4-31, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-31: Unusual Points (KU and OT, under X)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
7	No	.07060	No
12	No	.07668	No
18	No	.09375	No
77	No	.06632	No
89	No	.10673	No
90	No	.11250	No
103	No	.07668	No
142	No	.06044	No
145	No	.15128	No

4.12.3.27 Network Formation and Number of Customers, under S

Based on Table 4-32, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-32: Unusual Points (NF and CM, under S)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
47	No	.11547	No
67	No	.16857	No
94	No	.12211	No
97	No	.09556	No
103	No	.05601	No
116	No	.09777	No
117	No	.54689	No
118	No	.22166	No
119	No	.23715	No
120	No	.23715	No
127	No	.09556	No
161	No	.05601	No

4.12.3.28 Network Formation and Sales Level, under A

Based on Table 4-33, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-33: Unusual Points (NF and SL, under A)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
2	No	.06270	No
7	No	.05263	No
12	No	.05313	No
16	No	.07563	No
18	No	.07713	No
41	No	.07563	No
94	No	.05151	No
101	No	.05151	No
103	No	.07831	No
106	No	.19229	No
107	No	.06097	No
123	No	.06401	No
124	No	.06401	No
137	No	.12690	No
145	No	.16875	No
149	No	.06270	No
161	No	.07831	No

4.12.3.29 Network Intensity and Number of Customers, under S

Based on Table 4-34, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-34: Unusual Points (NI and CM, under S)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
47	No	.13003	No
67	No	.10931	No
90	No	.09106	No
94	No	.10931	No
116	No	.16153	No
117	No	.58062	No
118	No	.33601	No
119	No	.16153	No
120	No	.16153	No
127	No	.09402	No
161	No	.06090	No

4.12.3.30 Network Intensity and Sales Level, under A

Based on Table 4-35, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-35: Unusual Points (NI and SL, under A)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
2	No	.06852	No
16	No	.06852	No
39	No	.06852	No
41	No	.06852	No
47	No	.05567	No
90	No	.10902	No
123	No	.13744	No
124	No	.13744	No
125	No	.18330	No
137	No	.18330	No
161	No	.07370	No

4.12.3.31 Interdependence Strategies and Number of Customers, under S

Based on Table 4-36, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-36: Unusual Points (ND and CM, under S)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
47	No	.24414	No
67	No	.09421	No
107	No	.06684	No
116	No	.11827	No
117	No	.52919	No
118	No	.15714	No
119	No	.22377	No
120	No	.22377	No
127	No	.10161	No
161	No	.07463	No

4.12.3.32 Interdependence Strategies and Sales Level, under A

Based on Table 4-37, there is no any significant difference in the values (leverage point). Nevertheless, there are neither outliers nor influential cases. Therefore, these observations are kept in the analysis.

Table 4-37: Unusual Points (ND and SL, under A)

Respondents	Outlier (>±3 standard deviations)	Leverage point (leverage value >0.04969)	Influential case (Cook's distance>1)
2	No	.08513	No
16	No	.08513	No
18	No	.09673	No
36	No	.05424	No
41	No	.08513	No
63	No	.05432	No
70	No	.06283	No
90	No	.05424	No
94	No	.05432	No
106	No	.05432	No
107	No	.07793	No
123	No	.09673	No
124	No	.09673	No
125	No	.09673	No
137	No	.16624	No
145	No	.06283	No
161	No	.08681	No

4.12.4 Testing for Homoscedasticity, and Normality

There was homoscedasticity based on the visual inspection of the studentized residuals plotted against the predicted values for bakeries with advanced human resource competency and low human resource competency between: output level and enhanced innovation process; output level and customer-focused innovation; output level and enhanced innovation environment; number of customers and product strategies; number of customers and pricing strategies; number of customers and distribution strategies; and number of customers and promotion strategies. There was also homoscedasticity based on the visual inspection of the studentized residuals plotted against the predicted values for bakeries with advanced size and basic size between: sales level and enhanced innovation process; sales level and customer-focused innovation; sales level and enhanced innovation environment; number of customers and network formation; number of customers and network intensity; and number of customers and interdependence strategies. There was also homoscedasticity based on the visual inspection of the studentized residuals plotted against the predicted values for bakeries with advanced age and basic age between: cost level and risk planning; cost level and risk controlling; cost level and strategic risk initiatives; sales level and network formation; sales level and network intensity; and sales level and interdependence strategies. There was also homoscedasticity based on the visual inspection of the studentized residuals plotted against the predicted values for bakeries with male owners/managers and female owners/managers between: output level and risk planning; output level and risk controlling; and output level and strategic risk initiatives. There was also homoscedasticity based on the visual inspection of the studentized residuals plotted against the predicted values for bakeries whose owners/managers have advanced business experience and basic business experience between: sales level and product strategies; sales level and pricing strategies; sales level and distribution strategies; sales level and promotion strategies; output level and knowledge creation; output level and knowledge sharing; and output level and knowledge utilisation. There was also homoscedasticity based on the visual inspection

of the studentized residuals plotted against the predicted values for bakeries whose owners/managers have advanced education and basic education between: cost level and knowledge creation; cost level and knowledge sharing; and cost level and knowledge utilisation. On the other hand, in all cases, the Normal Q-Q Plot of Studentized Residual was used and found that studentized residuals were normally distributed, hence the adoption of parametric testing.

4.13 Chapter Summary

This chapter has explained about the methodology used in this study. Both quantitative and qualitative approaches were adopted. The study took place in the United Republic of Tanzania (Mainland Tanzania) where the bakeries used in this study operate. This chapter has given highlights about the population and sample size, and the sampling techniques adopted. It also explains about the data collection techniques, and the respective respondents and their corresponding locations. This chapter explains about how data were measured, and analysed. It defines specific independent variables falling in each category of the five entrepreneurial strategies used in this study. Nevertheless, all dependent variables, and the moderator variables are clearly defined. The chapter has also ensured data quality control in which both validity and reliability have been tested. All the major assumptions have been tested. In this regard, linearity has been established by visual inspection of a scatterplot between the respective dependent variable, and an independent variable. Multicollinearity has also been tested whereby both the tolerance and the variance inflation factor have been examined. Unusual points have also been tested based on thorough examinations of outliers, leverage points, and influential cases. On the other hand, homoscedasticity has also been examined based on the visual inspection of the studentized residuals plotted against the predicted values for bakeries with both categories of the respective moderator variable between the respective dependant variable and an independent variable. Additionally, normality has been tested based on Normal Q-Q Plot of Studentized Residual.

CHAPTER FIVE

STUDY FINDINGS

5.1 Introduction

This chapter explains about the study findings. The summary of the bakery characteristics is presented. The variables characterising each of the entrepreneurial strategies are analysed. Therefore, in this chapter, through the principal component analysis, one variable from the risk-taking category is removed and it is confirmed that the rest explain the risk-taking strategy. Nevertheless, the chapter confirms that all other entrepreneurial strategies: innovation, marketing, knowledge management, and networking are explained by all of their respective variables. Under each category of entrepreneurial strategies, the relevant interview findings are presented. Thereafter, all the hypotheses falling into each category of the relationship between an entrepreneurial strategy and SME performance under the respective moderator variable are tested. Therefore, the contribution of entrepreneurial strategies on SME performance is established by the moderator analysis. Nevertheless, the summary of the interview findings that has been analysed by the qualitative content analysis (manifest analysis) is presented to supplement the quantitative analysis. Ultimately, the framework of entrepreneurial strategies and SME performance is established.

5.2 Bakery Characteristics

As mentioned earlier, the surveyed bakeries were small and medium entities. As shown in Table 5-1, majority of them had a workforce size of less than 50 employees and most of their businesses had been operating for less than 10 years. However, 23% of the surveyed bakeries have been operating for at least 10 years. Additionally, most of the owners/managers have a business experience of at least 10 years and more than half (52.2%) of the surveyed bakeries were being led by owners/managers whose education qualifications ranged from primary education to certificate level. The rest had at least a diploma. Two of the surveyed bakeries were being led by owners/managers who were foreigners and two thirds of the surveyed bakeries were being led by male owners/managers. It was noted that majority of these bakeries believed that their employees were behaving professionally, and were well trained and therefore rewarded accordingly. The findings reveal that these bakeries were to a great extent producing and selling a combination of bread and specialty products, followed by a combination of bread, pastry, and speciality products. However, 17.4% of the surveyed products were producing and selling breads alone.

Table 5-1: Bakery Characteristics

Characteristics	Age	Size	Product	Human Resource Competency	Experience	Education	Gender	Nationality
Advanced Age	37 (23%)							
Basic Age	124 (77%)							
Advanced Size		10 (6.2%)						
Basic Size		151 (93.8%)						
Bread Products			28 (17.4%)					
Specialty Products			12 (7.5%)					
Bread and Pastry Products			2 (1.2%)					
Bread and Specialty Products			68 (42.2%)					
Bread, Pastry, and Specialty Products			48 (29.8%)					
Pastry and Specialty Products			3 (1.9%)					
Agreement Level Above 50%				139 (86.3%)				
Agreement Level Below 50%				22 (13.7%)				
Advanced Experience					61 (37.9%)			
Basic Experience					100 (62.1%)			
Advanced Education						77 (47.8%)		
Basic Education						84 (52.2%)		
Male							107 (66.5%)	
Female							54 (33.5%)	
Tanzanian								159 (98.8%)
Foreigner								2 (1.2%)
Total	161 (100%)	161 (100%)	161 (100%)	161 (100%)	161 (100%)	161 (100%)	161 (100%)	161 (100%)

5.3 Innovation Strategies in Bakeries

Before determining the contribution of innovation strategies on bakery performance, the PCA was employed to confirm variables that explain the enhanced innovation process, customer-focused innovation, and enhanced innovation environment. The PCA was run with all variables associated with innovation strategies and the findings reveal that all variables had at least one correlation with another variable ($r \geq 0.3$) as revealed in Table 5-2.

Table 5-2: Correlation Matrix (Innovation)

Variable	EIP1	EIP2	EIP3	EIP4	EIP5	CFI1	CFI2	CFI3	CFI4	CFI5	EIE1	EIE2	EIE3	EIE4	EIE5
EIP1	1.000														
EIP2	.674	1.000													
EIP3	.626	.628	1.000												
EIP4	.478	.659	.650	1.000											
EIP5	.501	.595	.581	.743	1.000										
CFI1	.455	.574	.546	.596	.585	1.000									
CFI2	.484	.618	.547	.546	.541	.606	1.000								
CFI3	.472	.491	.510	.508	.554	.625	.588	1.000							
CFI4	.369	.482	.496	.527	.461	.554	.646	.646	1.000						
CFI5	.272	.417	.456	.505	.436	.488	.446	.490	.602	1.000					
EIE1	.435	.508	.492	.488	.526	.581	.548	.593	.554	.372	1.000				
EIE2	.437	.363	.411	.394	.431	.342	.338	.369	.370	.359	.434	1.000			
EIE3	.447	.490	.417	.449	.504	.482	.366	.468	.449	.399	.426	.641	1.000		
EIE4	.556	.500	.535	.371	.359	.378	.464	.529	.466	.428	.480	.468	.491	1.000	
EIE5	.335	.343	.423	.385	.315	.423	.331	.404	.400	.341	.416	.298	.412	.534	1.000

The overall KMO measure was 0.917, which is 'marvellous' on Kaiser's (1974) classification of measure values as revealed in Table 5-3. The Bartlett's Test of Sphericity is statistically significant, $p = .000$ ($p < .0005$) as revealed in Table 5-3.

Table 5-3: KMO and Bartlett's Test (Innovation)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.917
Bartlett's Test of Sphericity	Approx. Chi-Square	1433.613
	df	105
	Sig.	.000

The anti-image correlation matrix (Table 5-4) tells that all variables have KMO values greater than 0.860 (the lowest is 0.863), which shows adequacy of sampling.

Table 5-4: Anti-image Correlation Matrix (Innovation)

	Variable	EIP1	EIP2	EIP3	EIP4	EIP5	CFI1	CFI2	CFI3	CFI4	CFI5	EIE1	EIE2	EIE3	EIE4	EIE5
Anti-image Correlation	EIP1	.901[a]														
	EIP2	-.383	.911[a]													
	EIP3	-.273	-.058	.953[a]												
	EIP4	.091	-.277	-.242	.903[a]											
	EIP5	-.083	-.007	-.060	-.458	.917[a]										
	CFI1	-.030	-.077	-.072	-.080	-.044	.938[a]									
	CFI2	-.004	-.234	-.043	.025	-.103	-.190	.934[a]								
	CFI3	-.098	.106	.021	.033	-.164	-.222	-.073	.940[a]							
	CFI4	.052	.039	-.029	-.106	.131	.028	-.331	-.259	.911[a]						
	CFI5	.181	-.046	-.078	-.114	-.035	-.135	.048	-.050	-.320	.920[a]					
	EIE1	.051	-.087	-.012	.040	-.127	-.189	-.056	-.157	-.155	.128	.946[a]				
	EIE2	-.153	.172	-.045	-.067	-.043	.090	-.037	.084	.017	-.096	-.184	.863[a]			
	EIE3	.009	-.182	.100	.058	-.162	-.158	.159	-.054	-.115	.006	.089	-.481	.881[a]		
	EIE4	-.209	-.095	-.145	.121	.117	.200	-.094	-.192	.019	-.162	-.098	-.127	-.106	.897[a]	
	EIE5	.025	.091	-.078	-.122	.074	-.144	.062	.021	-.050	.010	-.102	.087	-.139	-.331	.909[a]

5.3.1 Retained Components

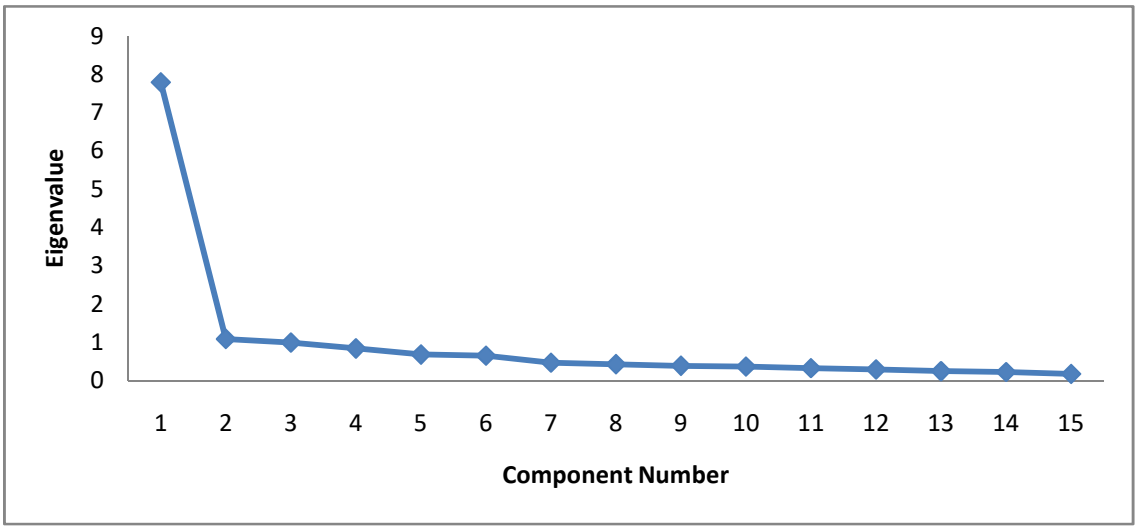
As shown in Table 5-5, two components should be retained based on their Eigenvalues being greater than 1. This would tell that Component 3 should not be retained because its value is less than 1 (0.995) although it is very close to 1. However, the first three components should be retained based on the lower criterion of 60% (they explain 65.862% of the total variance) as revealed in Table 5-5.

Table 5-5: Total Variance Explained (Innovation)

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.793	51.951	51.951	7.793	51.951	51.951	3.710	24.734	24.734
2	1.091	7.275	59.227	1.091	7.275	59.227	3.465	23.101	47.836
3	.995	6.635	65.862	.995	6.635	65.862	2.704	18.026	65.862
4	.843	5.620	71.482						
5	.684	4.559	76.041						
6	.652	4.349	80.391						
7	.471	3.139	83.529						
8	.431	2.876	86.406						
9	.391	2.607	89.013						
10	.370	2.464	91.477						
11	.329	2.193	93.670						
12	.295	1.964	95.634						
13	.250	1.667	97.301						
14	.227	1.510	98.811						
15	.178	1.189	100.000						
Extraction Method: Principal Component Analysis.									

On the other hand, the visual inspection of the Scree Plot in Figure 5-1 suggests that two components should be retained. However, Table 5-6 is examined to see whether it reveals a simple structure.

Figure 5-1: Scree Plot (Innovation)



The Rotated Component Matrix (Table 5-6) appears to be a simple structure. The structure tells that each variable has only one component that loads strongly on it. Additionally, each component loads strongly on at least three variables. In this regard, three components are retained.

Table 5-6: Rotated Component Matrix[a] (Innovation)

	Component		
Variable	1	2	3
EIP2	.778		
EIP5	.723		
EIP4	.718		
EIP1	.716		
EIP3	.675		
CFI4		.797	
CFI5		.702	
CFI3		.677	
CFI1		.614	
CFI2		.602	
EIE2			.749
EIE4			.711
EIE3			.710
EIE5			.572
EIE1			.544

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 8 iterations.

Based on the Qualitative Content Analysis (Manifest Analysis), the interviews confirm that bakeries keep on encouraging their employees in generating solutions that focus on improving their products. Most of the interviewed bakeries were taking time to analyse the motive behind improving their products before developing the relevant improvement strategies. They were also taking time to analyse the performance of their solutions before and after their improved bakery products have been delivered in the market. However, according to the interviews, one of the major challenges facing bakeries in Tanzania was cited to be lack of qualified bakery employees. In this regard, most of the interviewed bakeries have been employing their financial resources to train their employees aiming at building their capacity in managing their respective bakery operations. Also, the interviews confirmed that bakery customers had knowledge and explained the improvements made on bakery products and they perceived these improvements being consistent with their preferences and interests. According to the interviews, customers were happy with the improvements made due to the fact bakeries tended to seek their opinions before developing the relevant solutions. Also, according to the interviews, bakeries keep on employing their financial resources in creating favourable working environment. These include creating an operating environment that forges competition among employees, motivating employees who perform beyond expectations and readiness of bakeries to acquire the relevant bakery appliances and materials that support the innovation of their employees. According to the interviews, most of the bakery owners/managers were close to their people, and were ready to support and own their ideas and the suggested solutions.

5.4 Innovation Strategies and Bakery Performance

Under the moderation of human resource competency, and bakery size, the contribution of enhanced innovation process, customer-focused innovation, and enhanced innovation environment on output, and sales levels of bakery; SMEs in Tanzania have generally been established.

5.4.1 Hypothesis Testing: Enhanced Innovation Process and Output Level, under HRC

As stated earlier, the study hypothesises that (Hypothesis 1a);

H_0: The human resource competency does not moderate the relationship between enhanced innovation process and output level.

H_1: The human resource competency moderates the relationship between enhanced innovation process and output level.

The assessment of the increase in variation explained by the addition of an interaction term between innovation strategy (enhanced innovation process) and agreement level on whether the bakery team behaves professionally, is well trained, and rewarded accordingly (human resource competency) to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 14.6%, $F(1, 157) = 30.353$, $p = .000$ ($p < .0005$) as revealed in Table 5-7 was statistically significant, thus confirming that the human resource competency moderates the effect of enhanced innovation process on output level.

Table 5-7: Model Summary[c] (OT, EIP, and AL or LL)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.313[a]	.098	.087	2.09442	.098	8.588	2	158	.000
2	.494[b]	.244	.230	1.92337	.146	30.353	1	157	.000

a. Predictors: (Constant), AL, EIP
b. Predictors: (Constant), AL, EIP, EIP_X_AL
c. Dependent Variable: OT
Or
a. Predictors: (Constant), LL, EIP
b. Predictors: (Constant), LL, EIP, EIP_X_LL
c. Dependent Variable: OT

The coefficient of the interaction term (1.223 ± 0.222) was statistically significant ($p = .000$ or $p < .0005$) indicating that the agreement level on whether the bakery team behaves professionally, is well trained, and rewarded accordingly (human resource competency) moderates the relationship between output level and enhanced innovation process as revealed in Table 5-8 and Table 5-9. The simple slopes analysis informs that the linear relationship between output level and enhanced innovation process in bakeries with advanced human resource competency (0.382 ± 0.083), was statistically significant, $p = .000$ ($p < .0005$) as revealed in Table 5-8.

Table 5-8: Coefficients[a] (OT, EIP, and LL)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.305	.305		14.122	.000	3.703	4.907
	EIP	.213	.084	.193	2.546	.012	.048	.378
	LL	-1.703	.483	-.268	-3.524	.001	-2.658	-.748
2	(Constant)	3.802	.294		12.912	.000	3.220	4.383
	EIP	.382	.083	.348	4.624	.000	.219	.546
	LL	2.574	.894	.405	2.878	.005	.808	4.340
	EIP_X_LL	-1.223	.222	-.803	-5.509	.000	-1.662	-.785

a. Dependent Variable: OT

Simple slopes analysis informs that the linear relationship between output level and enhanced innovation process in bakeries with low human resource competency (-0.841 ± 0.206), was

statistically significant, p = .000 (p < .0005). However, the linear relationship is negative as revealed in Table 5-9.

Table 5-9: Coefficients[a] (OT, EIP, and AL)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	2.602	.538		4.840	.000	1.540	3.663		
	EIP	.213	.084	.193	2.546	.012	.048	.378	.989	1.012
	AL	1.703	.483	.268	3.524	.001	.748	2.658	.989	1.012
2	(Constant)	6.376	.844		7.551	.000	4.708	8.043		
	EIP	-.841	.206	-.765	-4.081	.000	-1.248	-.434	.137	7.293
	AL	-2.574	.894	-.405	-2.878	.005	-4.340	-.808	.244	4.106
	EIP_X_AL	1.223	.222	1.174	5.509	.000	.785	1.662	.106	9.434

a. Dependent Variable: OT

5.4.2 Hypothesis Testing: Enhanced Innovation Process and Sales Level, under S

As stated earlier, the study hypothesises that (Hypothesis 1b);

H_0: The firm's size does not moderate the relationship between enhanced innovation process and sales level

H_1: The firm's size moderates the relationship between enhanced innovation process and sales level

The assessment of the increase in variation explained by the addition of an interaction term between innovation strategy (enhanced innovation process) and size of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 7.0%, $F(1, 157) = 12.813$, p = .000 (p < .0005) as revealed in Table 5-10 was statistically significant, thus confirming that the size of the bakery moderates the effect of enhanced innovation process on sales level.

Table 5-10: Model Summary[c] (SL, EIP, and AS or BS)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.270[a]	.073	.061	1.72330	.073	6.234	2	158	.002
2	.378[b]	.143	.127	1.66228	.070	12.813	1	157	.000

a. Predictors: (Constant), AS, EIP
b. Predictors: (Constant), AS, EIP, EIP_X_AS
c. Dependent Variable: SL
Or
a. Predictors: (Constant), BS, EIP
b. Predictors: (Constant), BS, EIP, EIP_X_BS
c. Dependent Variable: SL

The coefficient of the interaction term (0.751 ± 0.210) was statistically significant (p = .000 or p < .0005) indicating that the size of the bakery moderates the relationship between sales level and enhanced process as revealed in Table 5-11 and Table 5-12. The simple slopes analysis informs that the linear relationship between sales level and enhanced innovation process in bakeries with an advanced size (0.496 ± 0.199), was statistically significant, p = .014 as revealed in Table 5-11.

Table 5-11: Coefficients[a] (SL, EIP, and BS)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.169	.580		7.182	.000	3.023	5.316
	EIP	-.182	.064	-.219	-2.846	.005	-.309	-.056
	BS	-.991	.566	-.135	-1.750	.082	-2.110	.128
2	(Constant)	2.051	.815		2.518	.013	.442	3.660
	EIP	.496	.199	.597	2.489	.014	.102	.890
	BS	1.425	.868	.194	1.641	.103	-.290	3.140
	EIP_X_BS	-.751	.210	-.952	-3.580	.000	-1.165	-.337
a. Dependent Variable: SL								

The simple slopes analysis informs that the linear relationship between sales level and enhanced innovation process in bakeries with a basic size (-0.255 ± 0.065), was statistically significant, $p = .000$ ($p < .0005$). However, the linear relationship is negative as revealed in Table 5-12.

Table 5-12: Coefficients[a] (SL, EIP, and AS)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	3.178	.300		10.602	.000	2.586	3.770		
	EIP	-.182	.064	-.219	-2.846	.005	-.309	-.056	.987	1.013
	AS	.991	.566	.135	1.750	.082	-.128	2.110	.987	1.013
2	(Constant)	3.476	.301		11.552	.000	2.882	4.070		
	EIP	-.255	.065	-.306	-3.914	.000	-.383	-.126	.892	1.121
	AS	-1.425	.868	-.194	-1.641	.103	-3.140	.290	.391	2.560
	EIP_X_AS	.751	.210	.423	3.580	.000	.337	1.165	.391	2.560
a. Dependent Variable: SL										

5.4.3 Hypothesis Testing: Customer-Focused Innovation and Output Level, under HRC

As stated earlier, the study hypothesises that (Hypothesis 1c);

H_0: The human resource competency does not moderate the relationship between customer-focused innovation and output level.

H_1: The human resource competency moderates the relationship between customer-focused innovation and output level.

The assessment of the increase in variation explained by the addition of an interaction term between innovation strategy (customer-focused innovation) and agreement level on whether the bakery team behaves professionally, is well trained, and rewarded accordingly (human resource competency) to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 5.5%, $F(1, 157) = 9.825$, $p = .002$ as revealed in Table 5-13 was statistically significant, thus confirming that the human resource competency moderates the effect of customer-focused innovation on output level.

Table 5-13: Model Summary[c] (OT, CFI, and AL or LL)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.255[a]	.065	.053	1.96147	.065	5.504	2	158	.005
2	.347[b]	.120	.103	1.90888	.055	9.825	1	157	.002

a. Predictors: (Constant), AL, CFI
b. Predictors: (Constant), AL, CFI, CFI_X_AL
c. Dependent Variable: OT
Or
a. Predictors: (Constant), LL, CFI
b. Predictors: (Constant), LL, CFI, CFI_X_LL
c. Dependent Variable: OT

The coefficient of the interaction term (0.550 ± 0.175) was statistically significant (p = .002) indicating that the agreement level on whether the bakery team behaves professionally, is well trained, and rewarded accordingly (human resource competency) moderates the relationship between output level and customer-focused innovation as revealed in Table 5-14 and Table 5-15. The simple slopes analysis informs that the linear relationship between output level and customer-focused innovation in bakeries with advanced human resource competency (0.293 ± 0.067), was statistically significant, p = .000 (p < .0005) as revealed in Table 5-14.

Table 5-14: Coefficients[a] (OT, CFI, and LL)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.593	.316		11.382	.000	2.969	4.216
	CFI	.212	.064	.256	3.315	.001	.086	.338
	LL	.167	.451	.029	.371	.711	-.724	1.058
2	(Constant)	3.253	.326		9.983	.000	2.609	3.896
	CFI	.293	.067	.353	4.349	.000	.160	.426
	LL	2.246	.795	.384	2.824	.005	.675	3.816
	CFI_X_LL	-.550	.175	-.431	-3.135	.002	-.896	-.203

a. Dependent Variable: OT

The simple slopes analysis informs that the linear relationship between output level and customer-focused innovation in bakeries with low human resource competency (-0.257 ± 0.162), was not statistically significant, p = .115 as revealed in Table 5-15.

Table 5-15: Coefficients[a] (OT, CFI, and AL)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	3.760	.481		7.824	.000	2.811	4.709		
	CFI	.212	.064	.256	3.315	.001	.086	.338	.995	1.005
	AL	-.167	.451	-.029	-.371	.711	-1.058	.724	.995	1.005
2	(Constant)	5.498	.725		7.579	.000	4.065	6.931		
	CFI	-.257	.162	-.310	-1.587	.115	-.577	.063	.147	6.817
	AL	-2.246	.795	-.384	-2.824	.005	-3.816	-.675	.303	3.296
	CFI_X_AL	.550	.175	.727	3.135	.002	.203	.896	.104	9.611

a. Dependent Variable: OT

5.4.4 Hypothesis Testing: Customer-Focused Innovation and Sales Level, under S

As stated earlier, the study hypothesises that (Hypothesis 1d);

H_0: The firm's size does not moderate the relationship between customer-focused innovation and sales level.

H_1: The firm's size moderates the relationship between customer-focused innovation and sales level.

The assessment of the increase in variation explained by the addition of an interaction term between innovation strategy (customer-focused innovation) and bakery size to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 4.9%, $F(1, 157) = 9.124$, $p = .003$ as revealed in Table 5-16 was statistically significant, thus confirming that the bakery size moderates the effect of customer-focused innovation on sales level.

Table 5-16: Model Summary[c] (SL, CFI, and AS or BS)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.325[a]	.106	.094	1.89230	.106	9.326	2	158	.000
2	.393[b]	.155	.139	1.84545	.049	9.124	1	157	.003

a. Predictors: (Constant), AS, CFI
b. Predictors: (Constant), AS, CFI, CFI_X_AS
c. Dependent Variable: SL
Or
a. Predictors: (Constant), BS, CFI
b. Predictors: (Constant), BS, CFI, CFI_X_BS
c. Dependent Variable: SL

The coefficient of the interaction term (0.875 ± 0.290) was statistically significant ($p = .003$) indicating that the bakery size moderates the relationship between sales level and customer-focused innovation as revealed in Table 5-17 and Table 5-18. The simple slopes analysis informs that the linear relationship between sales level and customer-focused innovation in bakeries with advanced size (-0.662 ± 0.280), was statistically significant, $p = .019$. However, the linear relationship is negative as revealed in Table 5-17.

Table 5-17: Coefficients[a] (SL, CFI, and BS)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.388	.631		6.959	.000	3.143	5.634
	CFI	.154	.074	.156	2.067	.040	.007	.300
	BS	-2.484	.622	-.302	-3.995	.000	-3.712	-1.256
2	(Constant)	6.575	.950		6.922	.000	4.699	8.452
	CFI	-.662	.280	-.675	-2.368	.019	-1.215	-.110
	BS	-4.882	.999	-.594	-4.887	.000	-6.855	-2.909
	CFI_X_BS	.875	.290	.937	3.021	.003	.303	1.447

a. Dependent Variable: SL

The simple slopes analysis informs that the linear relationship between sales level and customer-focused innovation in bakeries with basic size (0.212 ± 0.075), was statistically significant, $p = .005$ as revealed in Table 5-18.

Table 5-18: Coefficients[a] (SL, CFI, and AS)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	1.905	.308		6.177	.000	1.296	2.514		
	CFI	.154	.074	.156	2.067	.040	.007	.300	.988	1.012
	AS	2.484	.622	.302	3.995	.000	1.256	3.712	.988	1.012
2	(Constant)	1.694	.309		5.486	.000	1.084	2.303		
	CFI	.212	.075	.216	2.830	.005	.064	.360	.922	1.085
	AS	4.882	.999	.594	4.887	.000	2.909	6.855	.364	2.748
	CFI_X_AS	-.875	.290	-.366	-3.021	.003	-1.447	-.303	.366	2.731

a. Dependent Variable: SL

5.4.5 Hypothesis Testing: Enhanced Innovation Environment and Output Level, under HRC

As stated earlier, the study hypothesises that (Hypothesis 1e);

H_0: The human resource competency does not moderate the relationship between enhanced innovation environment and output level.

H_1: The human resource competency moderates the relationship between enhanced innovation environment and output level.

The assessment of the increase in variation explained by the addition of an interaction term between innovation strategy (enhanced innovation environment) and agreement level on whether the bakery team behaves professionally, is well trained, and rewarded accordingly (human resource competency) to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 4.3%, $F(1, 157) = 7.415$, $p = .007$ as revealed in Table 5-19 was statistically significant, thus confirming that the human resource competency moderates the effect of enhanced innovation environment on output level.

Table 5-19: Model Summary[c] (OT, EIE, and AL or LL)

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.209[a]	.044	.032	2.14727	.044	3.611	2	158	.029
2	.295[b]	.087	.069	2.10497	.043	7.415	1	157	.007

a. Predictors: (Constant), AL, EIE
b. Predictors: (Constant), AL, EIE, EIE_X_AL
c. Dependent Variable: OT
Or
a. Predictors: (Constant), LL, EIE
b. Predictors: (Constant), LL, EIE, EIE_X_LL
c. Dependent Variable: OT

The coefficient of the interaction term (0.628 ± 0.230) was statistically significant ($p = .007$) indicating that the agreement level on whether the bakery team behaves professionally, is well trained, and rewarded accordingly (human resource competency) moderates the relationship between output level and enhanced innovation environment as revealed in Table 5-20 and Table 5-21. The simple slopes analysis informs that the linear relationship between output level and enhanced environment in bakeries with advanced human resource competency (0.297 ± 0.093), was statistically significant, $p = .002$ as revealed in Table 5-20.

Table 5-20: Coefficients[a] (OT, EIE, and LL)

		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
Model		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	3.466	.395		8.774	.000	2.686	4.246
	EIE	.196	.086	.177	2.264	.025	.025	.367
	LL	-.600	.495	-.095	-1.212	.227	-1.578	.378
2	(Constant)	3.055	.416		7.353	.000	2.234	3.876
	EIE	.297	.093	.269	3.209	.002	.114	.480
	LL	1.638	.955	.259	1.716	.088	-.248	3.523
	EIE_X_LL	-.628	.230	-.412	-2.723	.007	-1.083	-.172

a. Dependent Variable: OT

The simple slopes analysis informs that the linear relationship between output level and enhanced innovation environment in bakeries with low human resource competency (-0.330 ± 0.211), was not statistically significant, $p = .119$ as revealed in Table 5-21.

Table 5-21: Coefficients[a] (OT, EIE, and AL)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	2.865	.548		5.233	.000	1.784	3.947		
	EIE	.196	.086	.177	2.264	.025	.025	.367	.990	1.010
	AL	.600	.495	.095	1.212	.227	-.378	1.578	.990	1.010
2	(Constant)	4.693	.859		5.461	.000	2.996	6.390		
	EIE	-.330	.211	-.299	-1.566	.119	-.747	.086	.160	6.258
	AL	-1.638	.955	-.259	-1.716	.088	-3.523	.248	.256	3.906
	EIE_X_AL	.628	.230	.654	2.723	.007	.172	1.083	.101	9.932

a. Dependent Variable: Output_Level

5.4.6 Hypothesis Testing: Enhanced Innovation Environment and Sales Level, under S

As stated earlier, the study hypothesises that (Hypothesis 1f);

H_0: The firm's size does not moderate the relationship between enhanced innovation environment and sales level.

H_1: The firm's size moderates the relationship between enhanced innovation environment and sales level.

The assessment of the increase in variation explained by the addition of an interaction term between innovation strategy (enhanced innovation environment) and size of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 2.7%, $F(1, 157) = 4.726$, $p = .031$ as revealed in Table 5-22 was statistically significant, thus confirming that the size of the bakery moderates the effect of enhanced innovation environment on sales level.

Table 5-22: Model Summary[c] (SL, EIE, and AS or BS)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.278[a]	.077	.065	1.65616	.077	6.597	2	158	.002
2	.323[b]	.104	.087	1.63697	.027	4.726	1	157	.031

a. Predictors: (Constant), AS, EIE
b. Predictors: (Constant), AS, EIE, EIE_X_AS
c. Dependent Variable: SL
Or
a. Predictors: (Constant), BS, EIE
b. Predictors: (Constant), BS, EIE, EIE_X_BS
c. Dependent Variable: SL

The coefficient of the interaction term (0.573 ± 0.264) was statistically significant ($p = .031$) indicating that the size of the bakery moderates the relationship between sales level and enhanced innovation environment as revealed in Table 5-23 and Table 5-24. The simple slopes analysis informs that the linear relationship between sales level and enhanced innovation environment in bakeries with an advanced size (0.557 ± 0.255), was statistically significant, $p = .030$ as revealed in Table 5-23.

Table 5-23: Coefficients[a] (SL, EIE, and BS)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.301	.603		7.130	.000	3.110	5.493
	EIE	.022	.067	.025	.329	.742	-.110	.153
	BS	-1.944	.542	-.275	-3.586	.000	-3.015	-.873
2	(Constant)	1.894	1.258		1.506	.134	-.590	4.378
	EIE	.557	.255	.641	2.186	.030	.054	1.060
	BS	.614	1.293	.087	.475	.636	-1.940	3.168
	EIE_X_BS	-.573	.264	-.712	-2.174	.031	-1.094	-.052

a. Dependent Variable: SL

The simple slopes analysis informs that the linear relationship between sales level and enhanced innovation environment in bakeries with a basic size (-0.016 ± 0.068), was not statistically significant, $p = .811$ as revealed in Table 5-24.

Table 5-24: Coefficients[a] (SL, EIE, and AS)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	2.357	.295		8.002	.000	1.776	2.939		
	EIE	.022	.067	.025	.329	.742	-.110	.153	.995	1.005
	AS	1.944	.542	.275	3.586	.000	.873	3.015	.995	1.005
2	(Constant)	2.508	.299		8.379	.000	1.917	3.099		
	EIE	-.016	.068	-.019	-.240	.811	-.151	.118	.929	1.077
	AS	-.614	1.293	-.087	-.475	.636	-3.168	1.940	.171	5.850
	EIE_X_AS	.573	.264	.402	2.174	.031	.052	1.094	.167	5.998

a. Dependent Variable: SL

5.5 Risk-taking Strategies in Bakeries

Before determining the contribution of risk-taking strategies on bakery performance, the PCA was employed to confirm variables that explain the risk planning, risk controlling, and strategic risk initiatives. As discussed in the methodology section (see Table 4-3), the PCA was run with all variables associated with risk-taking strategies and it was found from the correlation matrix that SI6 did not have at least one correlation with another variable; where $r \geq 0.3$. Therefore, SI6 was removed. After removing SI6, the PCA was re-run with all variables associated with risk-taking strategies and the findings reveal that all variables had at least one correlation with another variable ($r \geq 0.3$) as revealed in Table 5-25.

Table 5-25: Correlation Matrix (Risk-taking)

Variable	PI1	PI2	PI3	PI4	PI5	CI1	CI2	CI3	CI4	CI5	SI1	SI2	SI3	SI4	SI5
PI1	1.000														
PI2	.678	1.000													
PI3	.426	.550	1.000												
PI4	.483	.448	.625	1.000											
PI5	.471	.483	.462	.490	1.000										
CI1	.456	.382	.495	.505	.599	1.000									
CI2	.439	.410	.567	.513	.606	.650	1.000								
CI3	.433	.558	.467	.526	.493	.486	.515	1.000							
CI4	.329	.452	.381	.465	.362	.343	.483	.686	1.000						
CI5	.415	.473	.404	.430	.354	.369	.439	.620	.662	1.000					
SI1	.413	.441	.377	.424	.374	.439	.430	.582	.613	.708	1.000				
SI2	.320	.419	.298	.423	.205	.273	.309	.537	.555	.559	.530	1.000			
SI3	.353	.403	.310	.481	.205	.264	.291	.403	.394	.510	.535	.690	1.000		
SI4	.295	.427	.317	.409	.269	.242	.199	.436	.361	.458	.363	.579	.678	1.000	
SI5	.276	.395	.424	.340	.461	.375	.418	.480	.400	.302	.331	.445	.391	.445	1.000

The overall KMO measure was 0.886, which is 'meritorious' on Kaiser's (1974) classification of measure values as revealed in Table 5-26. The Bartlett's Test of Sphericity is statistically significant, $p = .000$ ($p < .0005$) as revealed in Table 5-26.

Table 5-26: KMO and Bartlett's Test (Risk-taking)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.886
Bartlett's Test of Sphericity	Approx. Chi-Square	1418.620
	df	105
	Sig.	.000

The anti-image correlation matrix (Table 5-27) tells that all variables have KMO values greater than 0.820 (the lowest is 0.826), which shows adequacy of sampling.

Table 5-27: Anti-image Matrix (Risk-taking)

	Variable	PI1	PI2	PI3	PI4	PI5	CI1	CI2	CI3	CI4	CI5	SI1	SI2	SI3	SI4	SI5
Anti-image Correlation	PI1	.865[a]														
	PI2	-.533	.854[a]													
	PI3	.122	-.338	.856[a]												
	PI4	-.194	.174	-.430	.874[a]											
	PI5	-.061	-.167	.110	-.185	.891[a]										
	CI1	-.128	.101	-.073	-.100	-.218	.907[a]									
	CI2	-.079	.100	-.250	.014	-.258	-.335	.891[a]								
	CI3	.043	-.179	.041	-.128	-.063	-.116	-.032	.940[a]							
	CI4	.113	-.092	.098	-.167	.057	.140	-.193	-.291	.896[a]						
	CI5	-.079	.014	-.099	.094	-.024	.048	-.072	-.138	-.257	.911[a]					
	SI1	-.055	.017	-.031	.079	-.067	-.177	.079	-.089	-.195	-.377	.901[a]				
	SI2	.008	-.049	.081	-.037	.162	-.018	.003	-.123	-.180	-.085	-.030	.917[a]			
	SI3	-.039	-.045	.103	-.249	.149	.063	-.120	.149	.147	-.044	-.284	-.367	.826[a]		
	SI4	.065	-.105	-.027	-.042	-.095	-.038	.204	-.088	.030	-.162	.182	-.108	-.442	.863[a]	
	SI5	.047	.009	-.194	.177	-.248	-.023	-.067	-.132	-.098	.188	.022	-.168	-.082	-.171	.892[a]

5.5.1 Retained Components

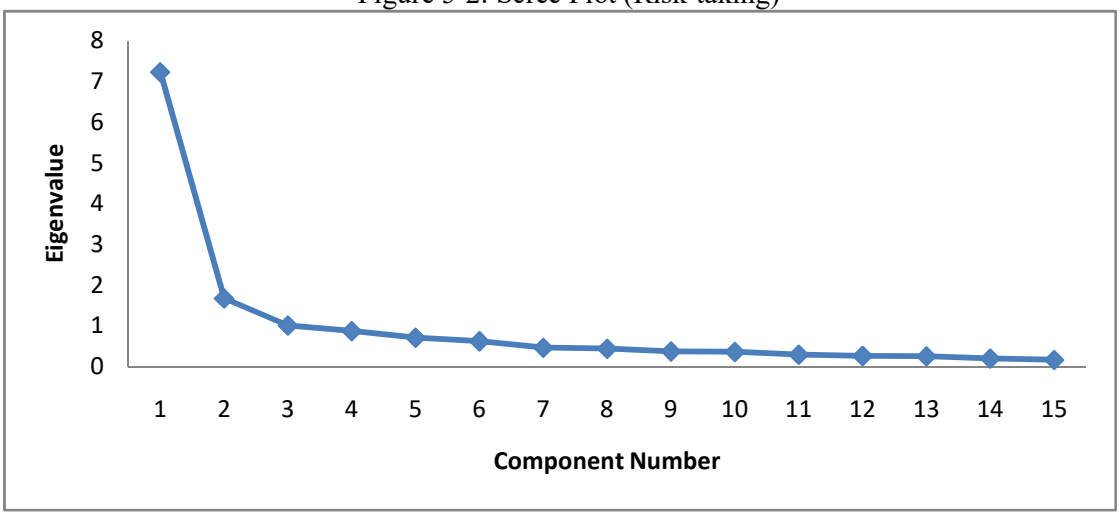
As revealed in Table 5-28, three components should be retained based on their Eigenvalues being greater than 1. Additionally, the first three components should be retained based on the lower criterion of 60% (they explain 66.145% of the total variance) as revealed in Table 5-28.

Table 5-28: Total Variance Explained (Risk-taking)

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.229	48.194	48.194	7.229	48.194	48.194	4.131	27.538	27.538
2	1.678	11.190	59.384	1.678	11.190	59.384	3.047	20.313	47.851
3	1.014	6.761	66.145	1.014	6.761	66.145	2.744	18.294	66.145
4	.877	5.844	71.989						
5	.715	4.765	76.754						
6	.628	4.186	80.940						
7	.469	3.127	84.068						
8	.444	2.963	87.030						
9	.379	2.527	89.557						
10	.367	2.450	92.007						
11	.299	1.992	93.999						
12	.268	1.789	95.788						
13	.258	1.718	97.506						
14	.203	1.356	98.862						
15	.171	1.138	100.000						
Extraction Method: Principal Component Analysis.									

On the other hand, the visual inspection of the Scree Plot in Figure 5-2 suggests that three components should be retained.

Figure 5-2: Scree Plot (Risk-taking)



The Rotated Component Matrix (Table 5-29) appears to be a simple structure. The structure tells that each variable has only one component that loads strongly on it. Additionally, each component loads strongly on at least three variables. In this regard, three components are retained.

Table 5-29: Rotated Component Matrix[a] (Risk-taking)

	Component		
Variable	1	2	3
PI5	.798		
PI3	.723		
PI1	.633		
PI4	.625		
PI2	.589		
CI4		.800	
CI5		.787	
CI1		.755	
CI2		.746	
CI3		.633	
SI4			.844
SI3			.808
SI1			.769
SI2			.686
SI5			.476

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 6 iterations.

Based on the Qualitative Content Analysis (Manifest Analysis), the interviews confirm that there is still little understanding of risk management practices among bakeries in Tanzania. However, most of the owners/managers confirmed that they had been undergoing necessary risk management trainings with the aim of increasing their capabilities in risk planning, controlling, and in making strategic risk decisions. According to the interviews, they were keeping on finding the possible "dangers" that may occur in their operating environment, or in the external environment relating to their business such as technology, pricing of raw materials and finished bakery products, and all matters pertaining to compliance. This was being done by consulting all members of the bakery, and their stakeholders such as agents, supermarkets, stores, hotel, restaurants, suppliers, individual customers, and business partners. Within their operating

environment, bakeries take time to foresee possible "dangers" that may affect the production of bakeries, transportation, and the contracts between the bakeries and their stakeholders. However, most of them do not make an appropriate documentation of their plans. Also, according to the interviews, bakeries keep on controlling risks by abiding by the technical advice on the operations and management of bakery appliances and other relevant equipments, and on development and operations of business contracts with their stakeholders. As the findings reveal, most of the bakeries were ready to analyse their operations and production processes and practices in order to fix all the relevant problems on time. To a great extent, the bakeries were consulting and interviewing their stakeholders in order to acquire the relevant information regarding the challenges, weaknesses, and other operational problems in order to fix them before they grew out of proportions thus negatively affecting their business. Also, according to the interviews, bakeries were aware of the fact that unexpected changes could affect their performance. This is why they were frequently making self-evaluations and adapting to the changes and relevant solutions on time. They were also conducting a competitor diagnosis in order to understand their weaknesses and strengths and improve accordingly. According to the interviews, they were financing these tasks with a clear understanding that failure to do so might result to unbearable costs in future. This was their strategy of preventing problems before they occur.

5.6 Risk-taking Strategies and Bakery Performance

Under the moderation of bakery age, and owner's/manager's gender, the contribution of risk planning, risk controlling, and strategic risk initiatives on cost, and output levels of SME bakeries in Tanzania is established.

5.6.1 Hypothesis Testing: Risk Planning and Cost Level, under A

As stated earlier, the study hypothesises that (Hypothesis 2a);

H_0: The firm's age does not moderate the relationship between risk planning and cost level.

H_1: The firm's age moderates the relationship between risk planning and cost level.

The assessment of the increase in variation explained by the addition of an interaction term between risk-taking strategy (risk planning) and age of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 5.9%, $F(1, 157) = 10.667$, $p = .001$ as revealed in Table 5-30 was statistically significant, thus confirming that the age of the bakery moderates the effect of risk planning on cost level.

Table 5-30: Model Summary[c] (CT, PI, and AA or BA)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.281[a]	.079	.067	2.01110	.079	6.757	2	158	.002
2	.371[b]	.137	.121	1.95226	.059	10.667	1	157	.001

a. Predictors: (Constant), AA, PI
b. Predictors: (Constant), AA, PI, PI_X_AA
c. Dependent Variable: CT
Or
a. Predictors: (Constant), BA, PI
b. Predictors: (Constant), BA, PI, PI_X_BA
c. Dependent Variable: CT

The coefficient of the interaction term (0.643 ± 0.197) was statistically significant (p = .001) indicating that the age of the bakery moderates the relationship between cost level and risk planning as revealed in Table 5-31 and Table 5-32. The simple slopes analysis informs that the linear relationship between cost level and risk planning in bakeries with an advanced age (0.407 ± 0.171), was statistically significant, p = .018 as revealed in Table 5-31.

Table 5-31: Coefficients[a] (CT, PI, and BA)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.982	.550		9.056	.000	3.895	6.068
	PI	-.077	.088	-.067	-.881	.380	-.250	.096
	BA	-1.353	.377	-.274	-3.591	.000	-2.098	-.609
2	(Constant)	2.550	.916		2.783	.006	.740	4.360
	PI	.407	.171	.355	2.382	.018	.070	.745
	BA	1.860	1.050	.377	1.772	.078	-.213	3.933
	PI_X_BA	-.643	.197	-.804	-3.266	.001	-1.033	-.254

a. Dependent Variable: CT

The simple slopes analysis informs that the linear relationship between cost level and risk planning in bakeries with a basic age (-0.236 ± 0.098), was statistically significant, p = .017. However, the linear relationship is negative as revealed in Table 5-32.

Table 5-32: Coefficients[a] (CT, PI, and AA)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	3.629	.466		7.782	.000	2.708	4.550		
	PI	-.077	.088	-.067	-.881	.380	-.250	.096	.999	1.001
	AA	1.353	.377	.274	3.591	.000	.609	2.098	.999	1.001
2	(Constant)	4.410	.512		8.613	.000	3.399	5.421		
	PI	-.236	.098	-.206	-2.411	.017	-.430	-.043	.752	1.329
	AA	-1.860	1.050	-.377	-1.772	.078	-3.933	.213	.121	8.238
	PI_X_AA	.643	.197	.712	3.266	.001	.254	1.033	.116	8.646

a. Dependent Variable: CT

5.6.2 Hypothesis Testing: Risk Planning and Output Level, under G

As stated earlier, this study hypothesises that (Hypothesis 2b);

H_0: The owner's/manager's gender does not moderate the relationship between risk planning and output level.

H_1: The owner's/manager's gender moderates the relationship between risk planning and output level.

The assessment of the increase in variation explained by the addition of an interaction term between risk-taking strategy (risk planning) and gender of the owner/manager of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 3.5%, $F(1, 157) = 6.005$, $p = .015$ as revealed in Table 5-33 was statistically significant, thus confirming that the gender of the owner/manager of the bakery moderates the effect of risk planning on output level.

Table 5-33: Model Summary[c] (OT, PI, and M or F)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.241[a]	.058	.046	2.22408	.058	4.861	2	158	.009
2	.304[b]	.093	.075	2.18967	.035	6.005	1	157	.015

a. Predictors: (Constant), M, PI
b. Predictors: (Constant), M, PI, PI_X_M
c. Dependent Variable: OT
Or
a. Predictors: (Constant), F, PI
b. Predictors: (Constant), F, PI, PI_X_F
c. Dependent Variable: OT

The coefficient of the interaction term (0.472 ± 0.193) was statistically significant ($p = .015$) indicating that the gender of the owner/manager of the bakery moderates the relationship between output level and planning as revealed in Table 5-34 and Table 5-35. The simple slopes analysis informs that the linear relationship between output level and risk planning in bakeries with a male owner/manager (0.130 ± 0.108), was not statistically significant, $p = .231$ as revealed in Table 5-34.

Table 5-34: Coefficients[a] (OT, PI, and F)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.073	.494		6.219	.000	2.097	4.049
	PI	.280	.091	.239	3.072	.003	.100	.459
	F	-.078	.373	-.016	-.208	.835	-.815	.660
2	(Constant)	3.802	.570		6.667	.000	2.676	4.928
	PI	.130	.108	.111	1.204	.231	-.084	.344
	F	-2.247	.958	-.467	-2.344	.020	-4.140	-.354
	PI_X_F	.472	.193	.492	2.451	.015	.092	.853

a. Dependent Variable: OT

The simple slopes analysis informs that the linear relationship between output level and risk planning in bakeries with a female owner/manager (0.603 ± 0.159), was statistically significant, $p = .000$ ($p < .0005$) as revealed in Table 5-35.

Table 5-35: Coefficients[a] (OT, PI, and M)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	2.995	.506		5.919	.000	1.996	3.995		
	PI	.280	.091	.239	3.072	.003	.100	.459	.989	1.011
	M	.078	.373	.016	.208	.835	-.660	.815	.989	1.011
2	(Constant)	1.555	.770		2.019	.045	.033	3.077		
	PI	.603	.159	.514	3.780	.000	.288	.918	.312	3.202
	M	2.247	.958	.467	2.344	.020	.354	4.140	.145	6.876
	PI_X_M	-.472	.193	-.584	-2.451	.015	-.853	-.092	.102	9.811

a. Dependent Variable: OT

5.6.3 Hypothesis Testing: Risk Controlling and Cost Level, under A

As stated earlier, the study hypothesises that (Hypothesis 2c);

H_0: The firm's age does not moderate the relationship between risk controlling and cost level.

H_1: The firm's age moderates the relationship between risk controlling and cost level.

The assessment of the increase in variation explained by the addition of an interaction term between risk-taking strategy (risk controlling) and age of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 6.4%, $F(1, 157) = 12.043$, $p = .001$ as revealed in Table 5-36 was statistically significant, thus confirming that the age of the bakery moderates the effect of risk controlling on cost level.

Table 5-36: Model Summary[c] (CT, CI, and AA or BA)

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.326[a]	.106	.095	1.91802	.106	9.399	2	158	.000
2	.412[b]	.170	.154	1.85432	.064	12.043	1	157	.001

a. Predictors: (Constant), AA, CI
b. Predictors: (Constant), AA, CI, CI_X_AA
c. Dependent Variable: CT
Or
a. Predictors: (Constant), BA, CI
b. Predictors: (Constant), BA, CI, CI_X_BA
c. Dependent Variable: CT

The coefficient of the interaction term (0.657 ± 0.189) was statistically significant ($p = .001$) indicating that the age of the bakery moderates the relationship between cost level and risk controlling as revealed in Table 5-37 and Table 5-38. The simple slopes analysis informs that the linear relationship between cost level and risk controlling in bakeries with an advanced age (-0.354 ± 0.166), was statistically significant, $p = .035$. However, the relationship is negative as revealed in Table 5-37.

Table 5-37: Coefficients[a] (CT, CI, and BA)

		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
Model		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	3.533	.506		6.976	.000	2.533	4.534
	CI	.153	.082	.140	1.859	.065	-.010	.315
	BA	-1.376	.360	-.288	-3.825	.000	-2.086	-.665
2	(Constant)	5.981	.859		6.966	.000	4.285	7.677
	CI	-.354	.166	-.325	-2.131	.035	-.683	-.026
	BA	-4.515	.969	-.945	-4.659	.000	-6.430	-2.601
	CI_X_BA	.657	.189	.826	3.470	.001	.283	1.031

a. Dependent Variable: CT

The simple slopes analysis informs that the linear relationship between cost level and risk controlling in bakeries with a basic age (0.302 ± 0.090), was statistically significant, $p = .001$ as revealed in Table 5-38.

Table 5-38: Coefficients[a] (CT, CI, and AA)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	2.158	.417		5.177	.000	1.334	2.981		
	CI	.153	.082	.140	1.859	.065	-.010	.315	.998	1.002
	AA	1.376	.360	.288	3.825	.000	.665	2.086	.998	1.002
2	(Constant)	1.466	.449		3.261	.001	.578	2.354		
	CI	.302	.090	.277	3.346	.001	.124	.481	.770	1.298
	AA	4.515	.969	.945	4.659	.000	2.601	6.430	.128	7.785
	CI_X_AA	-.657	.189	-.723	-3.470	.001	-1.031	-.283	.122	8.212

a. Dependent Variable: CT

5.6.4 Hypothesis Testing: Risk Controlling and Output Level, under G

As stated earlier, this study hypothesises that (Hypothesis 2d);

H_0: The owner's/manager's gender does not moderate the relationship between risk controlling and output level.

H_1: The owner's/manager's gender moderates the relationship between risk controlling and output level.

The assessment of the increase in variation explained by the addition of an interaction term between risk-taking strategy (risk controlling) and gender of the owner/manager of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 4.3%, $F(1, 157) = 7.470$, $p = .007$ as revealed in Table 5-39 was statistically significant, thus confirming that the gender of the owner/manager of the bakery moderates the effect of risk controlling on output level.

Table 5-39: Model Summary[c] (OT, CI, and M or F)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.234[a]	.055	.043	2.19473	.055	4.560	2	158	.012
2	.312[b]	.098	.080	2.15113	.043	7.470	1	157	.007

a. Predictors: (Constant), M, CI
b. Predictors: (Constant), M, CI, CI_X_M
c. Dependent Variable: OT
Or
a. Predictors: (Constant), F, CI
b. Predictors: (Constant), F, CI, CI_X_F
c. Dependent Variable: OT

The coefficient of the interaction term (0.517 ± 0.189) was statistically significant ($p = .007$) indicating that the gender of the owner/manager of the bakery moderates the relationship between output level and risk controlling as revealed in Table 5-40 and Table 5-41. The simple slopes analysis informs that the linear relationship between output level and risk controlling in bakeries with a male owner/manager (0.049 ± 0.107), was not statistically significant, $p = .647$ as revealed in Table 5-40.

Table 5-40: Coefficients[a] (OT, CI, and F)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.245	.465		9.120	.000	3.326	5.164
	CI	.215	.090	.185	2.386	.018	.037	.393
	F	-.655	.366	-.138	-1.786	.076	-1.378	.069
2	(Constant)	5.007	.535		9.364	.000	3.951	6.063
	CI	.049	.107	.042	.459	.647	-.162	.261
	F	-2.994	.928	-.632	-3.225	.002	-4.828	-1.161
	CI_X_F	.517	.189	.551	2.733	.007	.143	.891

a. Dependent Variable: OT

The simple slopes analysis informs that the linear relationship between output level and risk controlling in bakeries with a female owner/manager (0.566 ± 0.156), was statistically significant, $p = .000$ ($p < .0005$) as revealed in Table 5-41.

Table 5-41: Coefficients[a] (OT, CI, and M)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	3.590	.503		7.141	.000	2.597	4.583		
	CI	.215	.090	.185	2.386	.018	.037	.393	.999	1.001
	M	.655	.366	.138	1.786	.076	-.069	1.378	.999	1.001
2	(Constant)	2.013	.759		2.653	.009	.514	3.512		
	CI	.566	.156	.486	3.631	.000	.258	.874	.320	3.122
	M	2.994	.928	.632	3.225	.002	1.161	4.828	.150	6.684
	CI_X_M	-.517	.189	-.621	-2.733	.007	-.891	-.143	.111	8.991

a. Dependent Variable: OT

5.6.5 Hypothesis Testing: Strategic Risk Initiatives and Cost Level, under A

As stated earlier, the study hypothesises that (Hypothesis 2e);

H_0: The firm's age does not moderate the relationship between strategic risk initiatives and cost level.

H_1: The firm's age moderates the relationship between strategic risk initiatives and cost level.

The assessment of the increase in variation explained by the addition of an interaction term between risk-taking strategy (strategic risk initiatives) and age of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 13.1%, $F(1, 157) = 25.069$, $p = .000$ ($p < .0005$) as revealed in Table 5-42 was statistically significant, thus confirming that the age of the bakery moderates the effect of strategic risk initiatives on cost level.

Table 5-42: Model Summary[c] (CT, SI, and AA or BA)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.222[a]	.049	.037	2.33467	.049	4.100	2	158	.018
2	.425[b]	.180	.165	2.17488	.131	25.069	1	157	.000

a. Predictors: (Constant), AA, SI
b. Predictors: (Constant), AA, SI, SI_X_AA
c. Dependent Variable: CT
Or
a. Predictors: (Constant), BA, SI
b. Predictors: (Constant), BA, SI, SI_X_BA
c. Dependent Variable: CT

The coefficient of the interaction term (1.193 ± 0.238) was statistically significant (p = .000 or p < .0005) indicating that the age of the bakery moderates the relationship between cost level and strategic risk initiatives as revealed in Table 5-43 and Table 5-44. The simple slopes analysis informs that the linear relationship between cost level and strategic risk initiatives in bakeries with an advanced age (0.785 ± 0.152), was statistically significant, p = .000 (p < .0005) as revealed in Table 5-43.

Table 5-43: Coefficients[a] (CT, SI, and BA)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.872	.613		4.686	.000	1.662	4.083
	SI	.297	.126	.208	2.359	.020	.048	.545
	BA	-1.265	.497	-.224	-2.547	.012	-2.246	-.284
2	(Constant)	1.017	.681		1.495	.137	-.327	2.362
	SI	.785	.152	.550	5.149	.000	.484	1.086
	BA	4.588	1.257	.814	3.649	.000	2.105	7.071
	SI_X_BA	-1.193	.238	-1.289	-5.007	.000	-1.664	-.722
a. Dependent Variable: CT								

The simple slopes analysis informs that the linear relationship between cost level and strategic risk initiatives in bakeries with a basic age (-0.408 ± 0.183), was statistically significant, p = .027. However, the linear relationship is negative as revealed in Table 5-44.

Table 5-44: Coefficients[a] (CT, SI, and AA)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	1.608	.743		2.162	.032	.139	3.076		
	SI	.297	.126	.208	2.359	.020	.048	.545	.775	1.289
	AA	1.265	.497	.224	2.547	.012	.284	2.246	.775	1.289
2	(Constant)	5.606	1.057		5.303	.000	3.518	7.693		
	SI	-.408	.183	-.286	-2.229	.027	-.770	-.046	.317	3.152
	AA	-4.588	1.257	-.814	-3.649	.000	-7.071	-2.105	.105	9.522
	SI_X_AA	1.193	.238	.983	5.007	.000	.722	1.664	.135	7.384
a. Dependent Variable: CT										

5.6.6 Hypothesis Testing: Strategic Risk Initiatives and Output Level, under G

As stated earlier, the study hypothesises that (Hypothesis 2f);

H_0: The owner's/manager's gender does not moderate the relationship between strategic risk initiatives and output level.

H_1: The owner's/manager's gender moderates the relationship between strategic risk initiatives and output level.

The assessment of the increase in variation explained by the addition of an interaction term between risk-taking strategy (strategic risk initiatives) and gender of the owner/manager of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 5.3%, $F(1, 157) = 9.743$, p = .002 as revealed in Table 5-45 was statistically significant, thus confirming that the gender of the owner/manager of the bakery moderates the effect of strategic risk initiatives on output level.

Table 5-45: Model Summary[c] (OT, SI, and M or F)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.298[a]	.089	.077	1.34645	.089	7.689	2	158	.001
2	.377[b]	.142	.126	1.31068	.053	9.743	1	157	.002

a. Predictors: (Constant), M, SI
b. Predictors: (Constant), M, SI, SI_X_M
c. Dependent Variable: OT
Or
a. Predictors: (Constant), F, SI
b. Predictors: (Constant), F, SI, SI_X_F
c. Dependent Variable: OT

The coefficient of the interaction term (0.326 ± 0.104) was statistically significant (p = .002) indicating that the gender of the owner/manager of the bakery moderates the relationship between output level and strategic risk initiatives as revealed in Table 5-46 and Table 5-47. The simple slopes analysis informs that the linear relationship between output level and strategic risk initiatives in bakeries with male owner/manager (-0.003 ± 0.063), was not statistically significant, p = .962 as revealed in Table 5-46.

Table 5-46: Coefficients[a] (OT, SI, and F)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	5.190	.280		18.569	.000	4.638	5.742
	SI	.114	.051	.169	2.216	.028	.012	.216
	F	-.675	.226	-.228	-2.986	.003	-1.121	-.228
2	(Constant)	5.753	.326		17.629	.000	5.108	6.397
	SI	-.003	.063	-.004	-.047	.962	-.127	.121
	F	-2.146	.520	-.725	-4.126	.000	-3.173	-1.118
	SI_X_F	.326	.104	.559	3.121	.002	.120	.533

a. Dependent Variable: OT

The simple slopes analysis informs that the linear relationship between output level and strategic risk initiatives in bakeries with a female owner/manager (0.323 ± 0.084), was statistically significant, p = .000 (p < .0005) as revealed in Table 5-47.

Table 5-47: Coefficients[a] (OT, SI, and M)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	4.515	.289		15.616	.000	3.944	5.087		
	SI	.114	.051	.169	2.216	.028	.012	.216	.989	1.011
	M	.675	.226	.228	2.986	.003	.228	1.121	.989	1.011
2	(Constant)	3.607	.405		8.908	.000	2.807	4.407		
	SI	.323	.084	.479	3.863	.000	.158	.488	.355	2.817
	M	2.146	.520	.725	4.126	.000	1.118	3.173	.177	5.649
	SI_X_M	-.326	.104	-.655	-3.121	.002	-.533	-.120	.124	8.050

a. Dependent Variable: OT

5.7 Marketing Strategies in Bakeries

Before determining the contribution of marketing strategies on bakery performance, the PCA was employed to confirm variables that explain the product strategies, pricing strategies, distribution strategies, and promotion strategies. The PCA was run with all variables associated with marketing strategies and the findings reveal that all variables had at least one correlation with another variable ($r \geq 0.3$) as revealed in Table 5-48.

Table 5-48: Correlation Matrix (Marketing)

Variable	PS1	PS2	PS3	PS4	PS5	PRS1	PRS2	PRS3	PRS4	PRS5	DS1	DS2	DS3	DS4	DS5	DS6	PM1	PM2	PM3	PM4	PM5	PM6
PS1	1.000																					
PS2	.477	1.000																				
PS3	.407	.488	1.000																			
PS4	.503	.268	.412	1.000																		
PS5	.536	.248	.366	.688	1.000																	
PRS1	.353	.232	.422	.446	.506	1.000																
PRS2	.242	.423	.394	.270	.368	.319	1.000															
PRS3	.357	.181	.278	.414	.502	.392	.268	1.000														
PRS4	.369	.268	.315	.389	.446	.349	.214	.336	1.000													
PRS5	.387	.323	.269	.357	.449	.231	.258	.286	.469	1.000												
DS1	.508	.295	.279	.388	.499	.338	.364	.295	.469	.423	1.000											
DS2	.478	.188	.309	.502	.581	.385	.316	.325	.428	.309	.737	1.000										
DS3	.266	.097	.231	.303	.290	.281	.155	.277	.268	.242	.394	.406	1.000									
DS4	.353	.256	.291	.369	.333	.181	.235	.260	.441	.407	.442	.427	.409	1.000								
DS5	.495	.298	.371	.544	.489	.336	.160	.401	.454	.462	.552	.630	.461	.484	1.000							
DS6	.448	.280	.343	.503	.449	.335	.228	.303	.361	.291	.555	.623	.342	.441	.578	1.000						
PM1	.199	.420	.248	.125	.108	.000	.336	.053	.148	.133	.295	.147	.053	.319	.122	.182	1.000					
PM2	.216	.295	.213	.152	.108	.102	.246	.008	.171	.237	.190	.129	.073	.331	.121	.104	.484	1.000				
PM3	.329	.170	.157	.368	.354	.250	.113	.302	.252	.190	.288	.288	.328	.236	.398	.303	.189	.108	1.000			
PM4	.320	.255	.126	.226	.240	.049	.182	.165	.213	.230	.338	.314	.081	.468	.356	.237	.430	.278	.369	1.000		
PM5	.210	.158	.218	.285	.187	.058	.089	.164	.117	.138	.172	.192	.228	.323	.317	.181	.178	.253	.372	.272	1.000	
PM6	.400	.097	.148	.528	.528	.271	.102	.340	.346	.265	.364	.478	.211	.349	.453	.489	.061	.198	.342	.324	.353	1.000

The overall KMO measure was 0.886, which is 'meritorious' on Kaiser's (1974) classification of measure values as revealed in Table 5-49. The Bartlett's Test of Sphericity is statistically significant, $p = .000$ ($p < .0005$) as revealed in Table 5-49.

Table 5-49: KMO and Bartlett's Test (Marketing)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.886
Bartlett's Test of Sphericity	Approx. Chi-Square	1533.893
	df	231
	Sig.	.000

The anti-image correlation matrix (Table 5-50) tells that all variables have KMO values greater than 0.740 (the lowest is 0.744), which shows adequacy of sampling.

Table 5-50: Anti-image Matrix (Marketing)

	Variable	PS1	PS2	PS3	PS4	PS5	PRS1	PRS2	PRS3	PRS4	PRS5	DS1	DS2	DS3	DS4	DS5	DS6	PM1	PM2	PM3	PM4	PM5	PM6
Anti-image Correlation	PS1	.927[a]																					
	PS2	-.330	.838[a]																				
	PS3	-.104	-.225	.892[a]																			
	PS4	-.092	.015	-.105	.930[a]																		
	PS5	-.150	.070	-.017	-.375	.901[a]																	
	PRS1	.003	-.026	-.218	-.081	-.161	.905[a]																
	PRS2	.160	-.248	-.147	-.016	-.145	-.095	.853[a]															
	PRS3	-.071	.040	-.012	.006	-.178	-.132	-.134	.935[a]														
	PRS4	.042	-.059	-.079	-.002	-.040	-.097	.075	-.070	.929[a]													
	PRS5	-.026	-.103	.026	.010	-.219	.087	-.062	-.007	-.201	.878[a]												
	DS1	-.182	.017	.125	.132	-.023	-.051	-.125	.042	-.141	-.168	.892[a]											
	DS2	-.023	.138	-.026	-.016	-.196	-.018	-.119	.078	-.032	.199	-.471	.885[a]										
	DS3	-.004	.076	-.023	.014	.041	-.079	-.025	-.054	.056	.007	-.107	-.066	.865[a]									
	DS4	.010	.056	-.028	-.050	.036	.064	-.014	-.033	-.215	-.129	.009	-.001	-.283	.881[a]								
	DS5	-.015	-.108	-.098	-.150	.089	.018	.195	-.123	-.053	-.224	-.034	-.256	-.179	-.031	.921[a]							
	DS6	-.021	-.091	-.082	-.116	.092	-.030	.024	.018	.068	.040	-.126	-.208	.023	-.181	-.152	.917[a]						
	PM1	.094	-.219	-.082	-.030	-.024	.169	-.109	-.015	-.004	.131	-.194	.087	.025	-.059	.090	-.084	.744[a]					
	PM2	-.079	-.025	-.016	-.005	.105	-.117	-.069	.129	-.003	-.153	.049	-.030	.014	-.138	.063	.115	-.370	.766[a]				
	PM3	-.058	.011	.104	-.063	-.070	-.099	.039	-.066	-.077	.039	.011	.086	-.216	.170	-.074	-.074	-.091	.046	.860[a]			
	PM4	-.085	-.028	.075	.069	.013	.054	-.027	.007	.084	.003	-.025	-.082	.232	-.327	-.144	.144	-.265	.020	-.256	.807[a]		
	PM5	.039	-.026	-.148	-.069	.053	.123	.006	-.011	.114	.050	-.013	.029	-.051	-.141	-.102	.119	.014	-.126	-.248	.001	.821[a]	
	PM6	-.061	.084	.151	-.144	-.195	.009	.080	-.079	-.098	.040	.052	-.076	.070	.018	-.005	-.251	.121	-.174	-.009	-.144	-.225	.890[a]

5.7.1 Retained Components

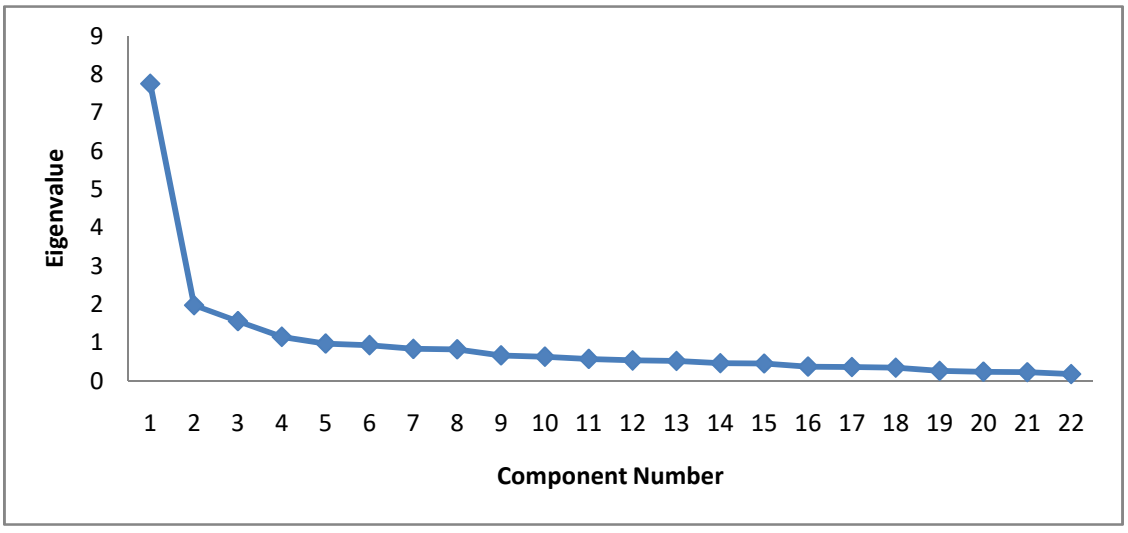
As shown in Table 5-51, four components should be retained based on their Eigenvalues being greater than 1. However, they explain 56.665% of the total variance (less than 60%) as revealed in Table 5-51.

Table 5-51: Total Variance Explained (Marketing)

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.760	35.272	35.272	7.760	35.272	35.272	4.686	21.299	21.299
2	1.982	9.010	44.282	1.982	9.010	44.282	3.023	13.739	35.038
3	1.566	7.118	51.400	1.566	7.118	51.400	2.472	11.236	46.274
4	1.158	5.265	56.665	1.158	5.265	56.665	2.286	10.392	56.665
5	.981	4.461	61.126						
6	.940	4.275	65.401						
7	.843	3.831	69.232						
8	.831	3.779	73.011						
9	.672	3.056	76.067						
10	.639	2.905	78.971						
11	.580	2.638	81.609						
12	.542	2.465	84.073						
13	.527	2.395	86.468						
14	.471	2.140	88.608						
15	.461	2.098	90.706						
16	.382	1.737	92.443						
17	.371	1.687	94.129						
18	.351	1.595	95.725						
19	.270	1.225	96.950						
20	.248	1.127	98.077						
21	.236	1.073	99.151						
22	.187	.849	100.000						
Extraction Method: Principal Component Analysis.									

On the other hand, the visual inspection of the Scree Plot in Figure 5-3 suggests that four components should be retained.

Figure 5-3: Scree Plot (Marketing)



The Rotated Component Matrix (Table 5-52) appears to be a simple structure. The structure tells that each variable has only one component that loads strongly on it. Additionally, each component loads strongly on at least three variables. In this regard, four components are retained.

Table 5-52: Rotated Component Matrix[a] (Marketing)

	Component			
Variable	1	2	3	4
DS2	.797			
DS1	.793			
DS5	.700			
DS6	.676			
DS4	.607			
DS3	.530			
PRS1		.695		
PRS4		.600		
PRS2		.562		
PRS5		.525		
PRS3		.518		
PS3			.680	
PS2			.583	
PS5			.576	
PS4			.526	
PS1			.451	
PM1				.811
PM5				.730
PM2				.693
PM3				.678
PM6				.587
PM4				.532

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 14 iterations.

Based on the Qualitative Content Analysis (Manifest Analysis), the interviews confirm that the bakeries' products are market driven. They produce and sell bakery products that are mostly demanded by their customers. The interests of customers may be defined in terms of taste, special ingredients, packaging, size, price, and delivery options. Also, the interviews confirm that to a great extent, the prices of bakery products are market driven. Bakeries set their prices based on the interests of their customers. In their price setting, both price sensitive and non price sensitive customers are considered. This is why, various forms of discounts are offered particularly to those purchasing in bulk such as restaurants, hotels, supermarkets, large stores, and schools to mention a few. Nevertheless, the production costs chiefly determine their prices. Also, according to the interviews, bakeries confirm that they were employing all possible means to ensure that their customers get their products on time. Bakeries believe that timely delivery as per customer's requirements has been a key customer retention strategy. Timely delivery requires the bakeries to incur additional costs particularly the transportation costs and costs related to packaging. All these costs are borne by the bakery in order to strengthen their relationships with their customers. Nevertheless, in distributing their products, bakeries confirmed that they were selling their products at the manufacturing point, and some bakeries, as it was noted, had opened their sales points in busy areas. They were also using supermarkets and large stores that were receiving a particular commission on every sale. Also, according to the interviews, bakeries in Tanzania rely heavily on direct marketing, and social media in promoting their products to potential customers. According to the interviews, direct marketing has become a useful strategy in attracting hotels, supermarkets, small and large stores, and other institutions such as schools to purchase their bakery products. According to the interviews, the

use of brochures and leaflets is seldom used. Nevertheless, bakeries ensure that they strengthen their relationships with their existing customers so that, through these relationships, their bakery products can be promoted.

5.8 Marketing Strategies and Bakery Performance

Under the moderation of human resource competency, and business experience, the contribution of product, pricing, distribution, and promotion strategies on number of customers, and sales levels of SME bakeries in Tanzania is established.

5.8.1 Hypothesis Testing: Product Strategies and Number of Customers, under HRC

As stated earlier, the study hypothesises that (Hypothesis 3a);

H_0: The human resource competency does not moderate the relationship between product strategies and number of customers.

H_1: The human resource competency moderates the relationship between product strategies and number of customers.

The assessment of the increase in variation explained by the addition of an interaction term between marketing strategy (product strategies) and agreement level on whether the bakery team behaves professionally, is well trained, and rewarded accordingly (human resource competency) to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 3.9%, $F(1, 157) = 6.878$, $p = .010$ as revealed in Table 5-53 was statistically significant, thus confirming that the human resource competency moderates the effect of product strategies on number of customers.

Table 5-53: Model Summary[c] (CM, PS, and AL or LL)

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.244[a]	.060	.048	2.05790	.060	5.012	2	158	.008
2	.315[b]	.099	.082	2.02065	.039	6.878	1	157	.010

a. Predictors: (Constant), AL, PS
b. Predictors: (Constant), AL, PS, PS_X_AL
c. Dependent Variable: CM
Or
a. Predictors: (Constant), LL, PS
b. Predictors: (Constant), LL, PS, PS_X_LL
c. Dependent Variable: CM

The coefficient of the interaction term (0.522 ± 0.199) was statistically significant ($p = .010$) indicating that the agreement level on whether the bakery team behaves professionally, is well trained, and rewarded accordingly (human resource competency) moderates the relationship between the number of customers and product strategies as revealed in Table 5-54 and Table 5-55. The simple slopes analysis informs that the linear relationship between number of customers and product strategies in bakeries with advanced human resource competency (0.284 ± 0.082), was statistically significant, $p = .001$ as revealed in Table 5-54.

Table 5-54: Coefficients[a] (CM, PS, and LL)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.926	.384		7.610	.000	2.166	3.685
	PS	.195	.076	.198	2.564	.011	.045	.346
	LL	-.866	.472	-.142	-1.834	.068	-1.799	.066
2	(Constant)	2.527	.407		6.207	.000	1.723	3.331
	PS	.284	.082	.288	3.460	.001	.122	.446
	LL	1.459	1.000	.238	1.458	.147	-.517	3.435
	PS_X_LL	-.522	.199	-.437	-2.623	.010	-.915	-.129

a. Dependent Variable: CM

The simple slopes analysis informs that the linear relationship between the number of customers and product strategies in bakeries with low human resource competency (-0.238 ± 0.181), was not statistically significant, $p = .191$ as revealed in Table 5-55.

Table 5-55: Coefficients[a] (CM, PS, and AL)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	2.060	.554		3.717	.000	.965	3.154		
	PS	.195	.076	.198	2.564	.011	.045	.346	1.000	1.000
	AL	.866	.472	.142	1.834	.068	-.066	1.799	1.000	1.000
2	(Constant)	3.985	.914		4.361	.000	2.180	5.790		
	PS	-.238	.181	-.241	-1.313	.191	-.596	.120	.170	5.884
	AL	-1.459	1.000	-.238	-1.458	.147	-3.435	.517	.215	4.656
	PS_X_AL	.522	.199	.616	2.623	.010	.129	.915	.104	9.614

a. Dependent Variable: CM

5.8.2 Hypothesis Testing: Product Strategies and Sales Level, under X

As stated earlier, the study hypothesises that (Hypothesis 3b);

H_0: The owner's/manager's business experience does not moderate the relationship between product strategies and sales level.

H_1: The owner's/manager's business experience moderates the relationship between product strategies and sales level.

The assessment of the increase in variation explained by the addition of an interaction term between marketing strategy (product strategies) and business experience of the owner/manager of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 4.3%, $F(1, 157) = 7.325$, $p = .008$ as revealed in Table 5-56 was statistically significant, thus confirming that the business experience of the owner/manager of the bakery moderates the effect of product strategies on sales level.

Table 5-56: Model Summary[c] (SL, PS, and AX or BX)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.211[a]	.044	.032	2.14981	.044	3.667	2	158	.028
2	.295[b]	.087	.070	2.10803	.043	7.325	1	157	.008

a. Predictors: (Constant), AX, PS
b. Predictors: (Constant), AX, PS, PS_X_AX
c. Dependent Variable: SL
Or
a. Predictors: (Constant), BX, PS
b. Predictors: (Constant), BX, PS, PS_X_BX
c. Dependent Variable: SL

The coefficient of the interaction term (0.522 ± 0.193) was statistically significant (p = .008) indicating that the size of the bakery moderates the relationship between sales level and product strategies as revealed in Table 5-57 and 5-58. The simple slopes analysis informs that the linear relationship between sales level and product strategies in bakeries with the owner/manager having an advanced business experience (0.526 ± 0.156), was statistically significant, p = .001 as revealed in Table 5-57.

Table 5-57: Coefficients[a] (SL, PS, and BX)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.082	.533		3.906	.000	1.029	3.134
	PS	.185	.094	.154	1.977	.050	.000	.370
	BX	.695	.350	.155	1.986	.049	.004	1.387
2	(Constant)	.422	.806		.524	.601	-1.169	2.013
	PS	.526	.156	.438	3.375	.001	.218	.833
	BX	3.190	.984	.710	3.243	.001	1.247	5.134
	PS_X_BX	-.522	.193	-.640	-2.707	.008	-.903	-.141
a. Dependent Variable: SL								

The simple slopes analysis informs that the linear relationship between sales level and product strategies in bakeries with the owner/manager having a basic business experience (0.004 ± 0.114), was not statistically significant, p = .974 as revealed in Table 5-58.

Table 5-58: Coefficients[a] (SL, PS, and AX)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	2.777	.482		5.759	.000	1.825	3.729		
	PS	.185	.094	.154	1.977	.050	.000	.370	.995	1.005
	AX	-.695	.350	-.155	-1.986	.049	-1.387	-.004	.995	1.005
2	(Constant)	3.613	.565		6.398	.000	2.497	4.728		
	PS	.004	.114	.003	.033	.974	-.221	.228	.649	1.540
	AX	-3.190	.984	-.710	-3.243	.001	-5.134	-1.247	.121	8.251
	PS_X_AX	.522	.193	.621	2.707	.008	.141	.903	.110	9.060
a. Dependent Variable: SL										

5.8.3 Hypothesis Testing: Pricing Strategies and Number of Customers, under HRC

As stated earlier, the study hypothesises that (Hypothesis 3c);

H_0: The human resource competency does not moderate the relationship between pricing strategies and number of customers.

H_1: The human resource competency moderates the relationship between pricing strategies and number of customers.

The assessment of the increase in variation explained by the addition of the interaction term between marketing strategy (pricing strategies) and agreement level on whether the bakery team behaves professionally, is well trained, and rewarded accordingly (human resource competency) to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 3.9%, $F(1, 157) = 6.673$, p = .011 as revealed in Table 5-59 was statistically significant, thus confirming that the human resource competency moderates the effect of pricing strategies on number of customers.

Table 5-59: Model Summary[c] (CM, PRS, and AL or LL)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.211[a]	.045	.033	2.26347	.045	3.689	2	158	.027
2	.289[b]	.084	.066	2.22389	.039	6.673	1	157	.011

a. Predictors: (Constant), AL, PRS
b. Predictors: (Constant), AL, PRS, PRS_X_AL
c. Dependent Variable: CM
Or
a. Predictors: (Constant), LL, PRS
b. Predictors: (Constant), LL, PRS, PRS_X_LL
c. Dependent Variable: CM

The coefficient of the interaction term (0.600 ± 0.232) was statistically significant (p = .011) indicating that the agreement level on whether the bakery team behaves professionally, is well trained, and rewarded accordingly (human resource competency) moderates the relationship between number of customers and pricing strategies as revealed in Table 5-60 and Table 5-61. The simple slopes analysis informs that the linear relationship between the number of customers and pricing strategies in bakeries with advanced human resource competency (0.262 ± 0.106), was statistically significant, p = .014 as revealed in Table 5-60.

Table 5-60: Coefficients[a] (CM, PRS, and LL)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.577	.511		5.047	.000	1.568	3.585
	PRS	.138	.096	.117	1.442	.151	-.051	.327
	LL	1.427	.544	.214	2.625	.010	.353	2.501
2	(Constant)	1.964	.555		3.539	.001	.868	3.060
	PRS	.262	.106	.223	2.482	.014	.054	.471
	LL	3.594	.994	.538	3.614	.000	1.630	5.558
	PRS_X_LL	-.600	.232	-.368	-2.583	.011	-1.059	-.141

a. Dependent Variable: CM

The simple slopes analysis informs that the linear relationship between the number of customers and pricing strategies in bakeries with low human resource competency (-0.338 ± 0.207), was not statistically significant, p = .104 as revealed in Table 5-61.

Table 5-61: Coefficients[a] (CM, PRS, and AL)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	4.004	.575		6.964	.000	2.868	5.139		
	PRS	.138	.096	.117	1.442	.151	-.051	.327	.913	1.096
	AL	-1.427	.544	-.214	-2.625	.010	-2.501	-.353	.913	1.096
2	(Constant)	5.558	.825		6.735	.000	3.928	7.188		
	PRS	-.338	.207	-.287	-1.634	.104	-.747	.071	.189	5.299
	AL	-3.594	.994	-.538	-3.614	.000	-5.558	-1.630	.263	3.798
	PRS_X_AL	.600	.232	.621	2.583	.011	.141	1.059	.101	9.897

a. Dependent Variable: CM

5.8.4 Hypothesis Testing: Pricing Strategies and Sales Level, under X

As stated earlier, the study hypothesises that (Hypothesis 3d);

H_0: The owner's/manager's business experience does not moderate the relationship between pricing strategies and sales level.

H_1: The owner's/manager's business experience moderates the relationship between pricing strategies and sales level.

The assessment of the increase in variation explained by the addition of an interaction term between marketing strategy (pricing strategies) and business experience of the owner/manager of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 5.2%, $F(1, 157) = 9.039$, $p = .003$ as revealed in Table 5-62 was statistically significant, thus confirming that the business experience of the owner/manager of the bakery moderates the effect of pricing strategies on sales level.

Table 5-62: Model Summary[c] (SL, PRS, and AX or BX)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.230[a]	.053	.041	2.32519	.053	4.397	2	158	.014
2	.323[b]	.104	.087	2.26821	.052	9.039	1	157	.003

a. Predictors: (Constant), AX, PRS
b. Predictors: (Constant), AX, PRS, PRS_X_AX
c. Dependent Variable: SL
Or
a. Predictors: (Constant), BX, PRS
b. Predictors: (Constant), BX, PRS, PRS_X_BX
c. Dependent Variable: SL

The coefficient of the interaction term (0.557 ± 0.185) was statistically significant ($p = .003$) indicating that the business experience of the owner/manager of the bakery moderates the relationship between sales level and pricing strategies as revealed in Table 5-63 and Table 5-64. The simple slopes analysis informs that the linear relationship between sales level and pricing strategies in bakeries with the owner/manager having an advanced business experience (-0.029 ± 0.138), was not statistically significant, $p = .833$ as revealed in Table 5-63.

Table 5-63: Coefficients[a] (SL, PRS, and BX)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.963	.516		3.801	.000	.943	2.983
	PRS	.280	.094	.230	2.962	.004	.093	.466
	BX	-.162	.380	-.033	-.427	.670	-.912	.588
2	(Constant)	3.344	.682		4.905	.000	1.997	4.690
	PRS	-.029	.138	-.024	-.212	.833	-.302	.243
	BX	-2.749	.937	-.563	-2.935	.004	-4.599	-.899
	PRS_X_BX	.557	.185	.651	3.006	.003	.191	.923

a. Dependent Variable: SL

The simple slopes analysis informs that the linear relationship between sales level and pricing strategies in bakeries with the owner/manager having a basic business experience (0.528 ± 0.124), was statistically significant, $p = .000$ ($p < .0005$) as revealed in Table 5-64.

Table 5-64: Coefficients[a] (SL, PRS, and AX)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	1.801	.514		3.501	.001	.785	2.817		
	PRS	.280	.094	.230	2.962	.004	.093	.466	.991	1.009
	AX	.162	.380	.033	.427	.670	-.588	.912	.991	1.009
2	(Constant)	.595	.642		.926	.356	-.674	1.864		
	PRS	.528	.124	.435	4.268	.000	.284	.772	.549	1.821
	AX	2.749	.937	.563	2.935	.004	.899	4.599	.155	6.462
	PRS_X_AX	-.557	.185	-.595	-3.006	.003	-.923	-.191	.146	6.856

a. Dependent Variable: SL

5.8.5 Hypothesis Testing: Distribution Strategies and Number of Customers, under HRC

As stated earlier, the study hypothesises that (Hypothesis 3e);

H_0: The human resource competency does not moderate the relationship between distribution strategies and number of customers.

H_1: The human resource competency moderates the relationship between distribution strategies and number of customers.

The assessment of the increase in variation explained by the addition of an interaction term between marketing strategy (distribution strategies) and agreement level on whether the bakery team behaves professionally, is well trained, and rewarded accordingly (human resource competency) to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 3.3%, $F(1, 157) = 5.685$, $p = .018$ as revealed in Table 5-65 was statistically significant, thus confirming that the human resource competency moderates the effect of distribution strategies on number of customers.

Table 5-65: Model Summary[c] (CM, DS, and AL or LL)

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.236[a]	.056	.044	1.42189	.056	4.660	2	158	.011
2	.298[b]	.089	.071	1.40127	.033	5.685	1	157	.018

a. Predictors: (Constant), AL, DS
b. Predictors: (Constant), AL, DS, DS_X_AL
c. Dependent Variable: CM
Or
a. Predictors: (Constant), LL, DS
b. Predictors: (Constant), LL, DS, DS_X_LL
c. Dependent Variable: CM

The coefficient of the interaction term (0.334 ± 0.140) was statistically significant ($p = .018$) indicating that the agreement level on whether the bakery team behaves professionally, is well trained, and rewarded accordingly (human resource competency) moderates the relationship between number of customers and distribution strategies as revealed in Table 5-66 and Table 5-67. The simple slopes analysis informs that the linear relationship between the number of customers and distribution strategies in bakeries with advanced human resource competency (0.224 ± 0.062), was statistically significant, $p = .000$ ($p < .0005$) as revealed in Table 5-66.

Table 5-66: Coefficients[a] (CM, DS, and LL)

		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
Model		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	4.819	.309		15.586	.000	4.208	5.430
	DS	.158	.057	.223	2.799	.006	.047	.270
	LL	-.168	.336	-.040	-.499	.618	-.832	.496
2	(Constant)	4.488	.335		13.401	.000	3.826	5.149
	DS	.224	.062	.316	3.603	.000	.101	.347
	LL	1.125	.636	.267	1.770	.079	-.131	2.380
	DS_X_LL	-.334	.140	-.349	-2.384	.018	-.611	-.057

a. Dependent Variable: CM

The simple slopes analysis informs that the linear relationship between the number of customers and distribution strategies in bakeries with low human resource competency (-0.110 ± 0.126), was not statistically significant, p = .382 as revealed in Table 5-67.

Table 5-67: Coefficients[a] (CM, DS, and AL)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	4.651	.365		12.755	.000	3.931	5.371		
	DS	.158	.057	.223	2.799	.006	.047	.270	.941	1.063
	AL	.168	.336	.040	.499	.618	-.496	.832	.941	1.063
2	(Constant)	5.612	.540		10.391	.000	4.546	6.679		
	DS	-.110	.126	-.155	-.876	.382	-.358	.138	.185	5.398
	AL	-1.125	.636	-.267	-1.770	.079	-2.380	.131	.256	3.907
	DS_X_AL	.334	.140	.571	2.384	.018	.057	.611	.101	9.891

a. Dependent Variable: CM

5.8.6 Hypothesis Testing: Distribution Strategies and Sales Level, under X

As stated earlier, the study hypothesises that (Hypothesis 3f);

H_0: The owner's/manager's business experience does not moderate the relationship between distribution strategies and sales level.

H_1: The owner's/manager's business experience moderates the relationship between distribution strategies and sales level.

The assessment of the increase in variation explained by the addition of an interaction term between marketing strategy (distribution strategies) and business experience of the owner/manager of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 4.1%, $F(1, 157) = 7.186$, p = .008 as revealed in Table 5-68 was statistically significant, thus confirming that the business experience of the owner/manager of the bakery moderates the effect of distribution strategies on sales level.

Table 5-68: Model Summary[c] (SL, DS, and AX or BX)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.246[a]	.061	.049	1.93826	.061	5.109	2	158	.007
2	.319[b]	.102	.085	1.90140	.041	7.186	1	157	.008

a. Predictors: (Constant), AX, DS
b. Predictors: (Constant), AX, DS, DS_X_AX
c. Dependent Variable: SL
Or
a. Predictors: (Constant), BX, DS
b. Predictors: (Constant), BX, DS, DS_X_BX
c. Dependent Variable: SL

The coefficient of the interaction term (0.418 ± 0.156) was statistically significant (p = .008) indicating that the size of the bakery moderates the relationship between sales level and distribution strategies as revealed in Table 5-69 and Table 5-70. The simple slopes analysis informs that the linear relationship between sales level and distribution strategies in bakeries with the owner/manager having an advanced business experience (-0.213 ± 0.127), was not statistically significant, p = .096 as revealed in Table 5-69.

Table 5-69: Coefficients[a] (SL, DS, and BX)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.263	.457		7.142	.000	2.361	4.166
	DS	.064	.075	.066	.852	.395	-.084	.213
	BX	-.943	.317	-.231	-2.977	.003	-1.568	-.317
2	(Constant)	4.676	.692		6.759	.000	3.310	6.043
	DS	-.213	.127	-.219	-1.677	.096	-.463	.038
	BX	-3.015	.833	-.738	-3.619	.000	-4.660	-1.369
	DS_X_BX	.418	.156	.592	2.681	.008	.110	.726

a. Dependent Variable: SL

The simple slopes analysis informs that the linear relationship between sales level and distribution strategies in bakeries with the owner/manager having a basic business experience (0.205 ± 0.091), was statistically significant, $p = .025$ as revealed in Table 5-70.

Table 5-70: Coefficients[a] (SL, DS, and AX)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	2.321	.401		5.786	.000	1.528	3.113		
	DS	.064	.075	.066	.852	.395	-.084	.213	.989	1.011
	AX	.943	.317	.231	2.977	.003	.317	1.568	.989	1.011
2	(Constant)	1.661	.464		3.580	.000	.745	2.578		
	DS	.205	.091	.212	2.265	.025	.026	.384	.655	1.526
	AX	3.015	.833	.738	3.619	.000	1.369	4.660	.137	7.273
	DS_X_AX	-.418	.156	-.579	-2.681	.008	-.726	-.110	.123	8.146

a. Dependent Variable: SL

5.8.7 Hypothesis Testing: Promotion Strategies and Number of Customers, under HRC

As stated earlier, the study hypothesises that (Hypothesis 3g);

H_0: The human resource competency does not moderate the relationship between promotion strategies and number of customers.

H_1: The human resource competency moderates the relationship between promotion strategies and number of customers.

The assessment of the increase in variation explained by the addition of an interaction term between marketing strategy (promotion strategies) and agreement level on whether the bakery team behaves professionally, is well trained, and rewarded accordingly (human resource competency) to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 3.0%, $F(1, 157) = 5.184$, $p = .024$ as revealed in Table 5-71 was statistically significant, thus confirming that the human resource competency moderates the effect of promotion strategies on number of customers.

Table 5-71: Model Summary[c] (CM, PM, and AL or LL)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.221[a]	.049	.037	1.76235	.049	4.050	2	158	.019
2	.281[b]	.079	.062	1.73947	.030	5.184	1	157	.024

a. Predictors: (Constant), AL, PM
b. Predictors: (Constant), AL, PM, PM_X_AL
c. Dependent Variable: CM
Or
a. Predictors: (Constant), LL, PM
b. Predictors: (Constant), LL, PM, PM_X_LL
c. Dependent Variable: CM

The coefficient of the interaction term (0.417 ± 0.183) was statistically significant (p = .024) indicating that the agreement level on whether the bakery team behaves professionally, is well trained, and rewarded accordingly (human resource competency) moderates the relationship between number of customers and promotion strategies as revealed in Table 5-72 and Table 5-73. The simple slopes analysis informs that the linear relationship between the number of customers and promotion strategies in bakeries with advanced human resource competency (0.258 ± 0.083), was statistically significant, p = .002 as revealed in Table 5-72.

Table 5-72: Coefficients[a] (CM, PM, and LL)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.974	.368		10.800	.000	3.247	4.701
	PM	.174	.075	.181	2.324	.021	.026	.321
	LL	-.589	.406	-.113	-1.452	.148	-1.390	.212
2	(Constant)	3.593	.400		8.982	.000	2.803	4.383
	PM	.258	.083	.269	3.128	.002	.095	.421
	LL	1.145	.860	.220	1.330	.185	-.555	2.844
	PM_X_LL	-.417	.183	-.380	-2.277	.024	-.779	-.055

a. Dependent Variable: CM

The simple slopes analysis informs that the linear relationship between number of customers and promotion strategies in bakeries with low human resource competency (-0.159 ± 0.164), was not statistically significant, p = .333 as revealed in Table 5-73.

Table 5-73: Coefficients[a] (CM, PM, and AL)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	3.385	.483		7.006	.000	2.431	4.339		
	PM	.174	.075	.181	2.324	.021	.026	.321	.994	1.006
	AL	.589	.406	.113	1.452	.148	-.212	1.390	.994	1.006
2	(Constant)	4.737	.762		6.220	.000	3.233	6.241		
	PM	-.159	.164	-.166	-.971	.333	-.482	.164	.202	4.954
	AL	-1.145	.860	-.220	-1.330	.185	-2.844	.555	.215	4.645
	PM_X_AL	.417	.183	.529	2.277	.024	.055	.779	.109	9.194

a. Dependent Variable: CM

5.8.8 Hypothesis Testing: Promotion Strategies and Sales Level, under X

As stated earlier, the study hypothesises that (Hypothesis 3h);

H_0: The owner's/manager's business experience does not moderate the relationship between promotion strategies and sales level.

H_1: The owner's/manager's business experience moderates the relationship between promotion strategies and sales level.

The assessment of the increase in variation explained by the addition of an interaction term between marketing strategy (promotion strategies) and business experience of the owner/manager of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 5.2%, $F(1, 157) = 9.233$, $p = .003$ as revealed in Table 5-74 was statistically significant, thus confirming that the business experience of the owner/manager of the bakery moderates the effect of promotion strategies on sales level.

Table 5-74: Model Summary[c] (SL, PM, and AX or BX)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.259[a]	.067	.055	1.73530	.067	5.678	2	158	.004
2	.345[b]	.119	.102	1.69178	.052	9.233	1	157	.003

a. Predictors: (Constant), AX, PM
b. Predictors: (Constant), AX, PM, PM_X_AX
c. Dependent Variable: SL
Or
a. Predictors: (Constant), BX, PM
b. Predictors: (Constant), BX, PM, PM_X_BX
c. Dependent Variable: SL

The coefficient of the interaction term (0.465 ± 0.153) was statistically significant ($p = .003$) indicating that the business experience of the owner/manager of the bakery moderates the relationship between sales level and promotion strategies as revealed in Table 5-75 and Table 5-76. The simple slopes analysis informs that the linear relationship between sales level and promotion strategies in bakeries with the owner/manager having an advanced business experience (-0.093 ± 0.126), was not statistically significant, $p = .462$ as revealed in Table 5-75.

Table 5-75: Coefficients[a] (SL, PM, and BX)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.281	.388		11.024	.000	3.514	5.048
	PM	.222	.073	.233	3.030	.003	.077	.367
	BX	-.452	.282	-.123	-1.603	.111	-1.010	.105
2	(Constant)	5.649	.588		9.603	.000	4.487	6.811
	PM	-.093	.126	-.097	-.738	.462	-.342	.156
	BX	-2.496	.727	-.680	-3.435	.001	-3.931	-1.061
	PM_X_BX	.465	.153	.698	3.039	.003	.163	.767

a. Dependent Variable: SL

The simple slopes analysis informs that the linear relationship between sales level and promotion strategies in bakeries with the owner/manager having a basic business experience (0.372 ± 0.087), was statistically significant, $p = .000$ ($p < .0005$) as revealed in Table 5-76.

Table 5-76: Coefficients[a] (SL, PM, and AX)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	3.829	.373		10.256	.000	3.091	4.566		
	PM	.222	.073	.233	3.030	.003	.077	.367	.998	1.002
	AX	.452	.282	.123	1.603	.111	-.105	1.010	.998	1.002
2	(Constant)	3.154	.426		7.396	.000	2.311	3.996		
	PM	.372	.087	.390	4.283	.000	.200	.544	.677	1.478
	AX	2.496	.727	.680	3.435	.001	1.061	3.931	.143	6.988
	PM_X_AX	-.465	.153	-.616	-3.039	.003	-.767	-.163	.137	7.319

a. Dependent Variable: SL

5.9 Knowledge Management Strategies in Bakeries

Before determining the contribution of knowledge management strategies on bakery performance, the PCA was employed to confirm variables that explain the knowledge creation, knowledge sharing, and knowledge utilisation. The PCA was run with all variables associated with knowledge management strategies and the findings reveal that all variables had at least one correlation with another variable ($r \geq 0.3$) as revealed in Table 5-77.

Table 5-77: Correlation Matrix (Knowledge Management)

Variable	KC1	KC2	KC3	KC4	KC5	KS1	KS2	KS3	KS4	KS5	KU1	KU2	KU3	KU4	KU5
KC1	1.000														
KC2	.507	1.000													
KC3	.213	.363	1.000												
KC4	.258	.390	.364	1.000											
KC5	.327	.394	.441	.372	1.000										
KS1	.462	.562	.332	.427	.385	1.000									
KS2	.515	.567	.377	.421	.463	.576	1.000								
KS3	.407	.483	.349	.454	.406	.457	.611	1.000							
KS4	.316	.312	.289	.364	.366	.374	.383	.588	1.000						
KS5	.320	.177	.245	.331	.347	.326	.482	.508	.443	1.000					
KU1	.382	.269	.210	.284	.270	.361	.351	.440	.374	.611	1.000				
KU2	.321	.275	.368	.297	.244	.394	.403	.442	.305	.405	.433	1.000			
KU3	.287	.244	.356	.325	.293	.230	.315	.520	.429	.418	.389	.514	1.000		
KU4	.342	.215	.274	.177	.186	.179	.264	.433	.253	.314	.445	.435	.510	1.000	
KU5	.391	.269	.260	.042	.308	.189	.298	.431	.318	.366	.470	.469	.541	.589	1.000

The overall KMO measure was 0.889, which is 'meritorious' on Kaiser's (1974) classification of measure values as revealed in Table 5-78. The Bartlett's Test of Sphericity is statistically significant, $p = .000$ ($p < .0005$) as revealed in Table 5-78.

Table 5-78: KMO and Bartlett's Test (Knowledge Management)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.889
Bartlett's Test of Sphericity	Approx. Chi-Square	1038.295
	df	105
	Sig.	.000

The anti-image correlation matrix (Table 5-79) tells that all variables have KMO values greater than 0.830 (the lowest is 0.835), which shows adequacy of sampling.

Table 5-79: Anti-image Matrix (Knowledge Management)

	Variable	KC1	KC2	KC3	KC4	KC5	KS1	KS2	KS3	KS4	KS5	KU1	KU2	KU3	KU4	KU5
Anti-image Correlation	KC1	.918[a]														
	KC2	-.232	.869[a]													
	KC3	.108	-.125	.899[a]												
	KC4	.008	-.115	-.119	.877[a]											
	KC5	-.032	-.057	-.258	-.137	.907[a]										
	KS1	-.137	-.248	-.031	-.099	-.065	.906[a]									
	KS2	-.201	-.213	-.069	-.025	-.124	-.193	.892[a]								
	KS3	.069	-.161	.055	-.134	.002	-.012	-.281	.911[a]							
	KS4	-.052	.024	-.037	-.058	-.085	-.103	.088	-.334	.911[a]						
	KS5	-.010	.253	.013	-.051	-.089	.029	-.268	-.110	-.119	.847[a]					
	KU1	-.077	-.057	.065	-.075	.028	-.129	.119	.007	-.042	-.446	.869[a]				
	KU2	.011	.074	-.151	-.058	.112	-.199	-.090	-.020	.059	-.049	-.088	.918[a]			
	KU3	.011	.021	-.098	-.156	.004	.080	.078	-.145	-.135	-.093	.057	-.213	.906[a]		
	KU4	-.118	.053	-.099	-.038	.090	.063	.026	-.159	.092	.072	-.173	-.077	-.168	.879[a]	
	KU5	-.138	-.090	-.002	.331	-.178	.110	.026	-.069	-.032	-.007	-.170	-.172	-.242	-.310	.835[a]

5.9.1 Retained Components

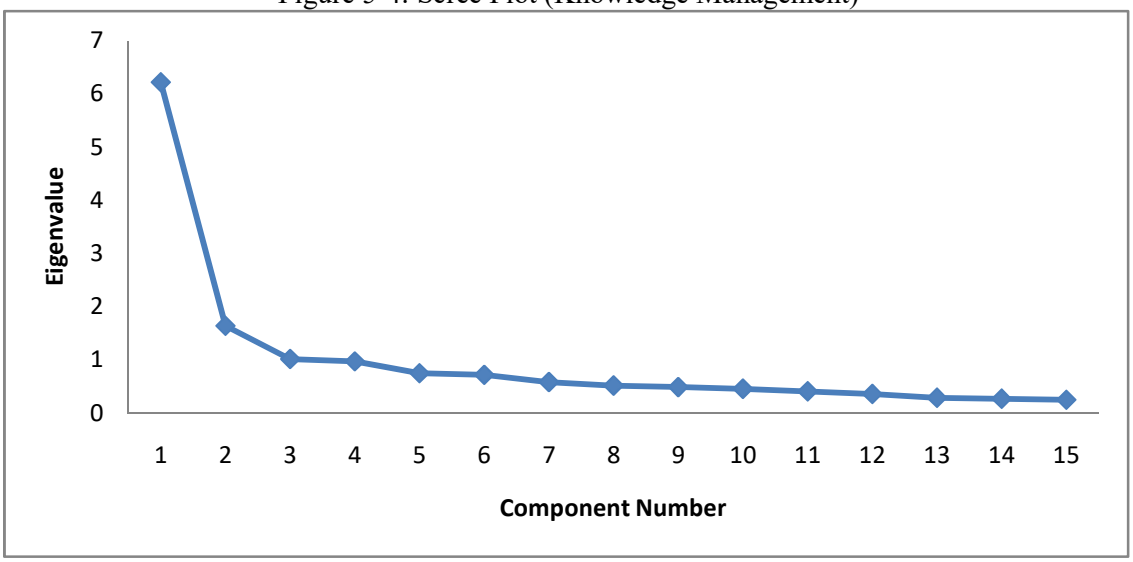
As revealed in Table 5-80, three components should be retained based on their Eigenvalues being greater than 1. However, they explain 59.241% of the total variance (less than 60%) as revealed in Table 5-80.

Table 5-80: Total Variance Explained (Knowledge Management)

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.221	41.471	41.471	6.221	41.471	41.471	3.300	22.003	22.003
2	1.644	10.961	52.432	1.644	10.961	52.432	2.963	19.755	41.758
3	1.021	6.810	59.241	1.021	6.810	59.241	2.623	17.483	59.241
4	.976	6.504	65.745						
5	.753	5.021	70.766						
6	.722	4.816	75.582						
7	.588	3.919	79.500						
8	.522	3.479	82.979						
9	.493	3.286	86.265						
10	.461	3.073	89.338						
11	.414	2.762	92.100						
12	.364	2.426	94.526						
13	.292	1.949	96.475						
14	.274	1.824	98.299						
15	.255	1.701	100.000						
Extraction Method: Principal Component Analysis.									

On the other hand, the visual inspection of the Scree Plot in Figure 5-4 suggests that three components should be retained.

Figure 5-4: Scree Plot (Knowledge Management)



The Rotated Component Matrix (Table 5-81) appears to be a simple structure. The structure tells that each variable has only one component that loads strongly on it. Additionally, each component loads strongly on at least three variables. In this regard, three components are retained.

Table 5-81: Rotated Component Matrix[a] (Knowledge Management)

	Component		
	1	2	3
KU5	.831		
KU4	.789		
KU3	.677		
KU1	.625		
KU2	.597		
KC2		.810	
KC4		.744	
KC1		.738	
KC5		.544	
KC3		.533	
KS1			.685
KS2			.648
KS4			.632
KS3			.569
KS5			.558

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 7 iterations.

Based on the Qualitative Content Analysis (Manifest Analysis), the interviews confirmed that bakeries were involving their employees in developing ideas that could be useful in managing bakery operations, processes, and practices. The bakeries also confirmed that they were encouraging their employees to develop ideas and they were strongly supporting the implementation of the generated ideas in order to encourage other members of the bakery to create knowledge. The bakeries also confirmed that they were training their employees on matters pertaining to idea generation, analysis and implementation as a way of advancing knowledge creation in their enterprises. Additionally, in order to create more knowledge, most of the bakeries confirmed that they were putting mechanisms that would allow them to receive information such as suggestion box, or using their publicly known contacts particularly their mobile phones. Also, according to the interviews, bakeries were encouraging their employees to discuss challenges, opportunities, and best practices pertaining to bakery operations as a way of sharing knowledge within the bakery. These discussions were being done openly. It was revealed that bakery owners/managers were sometimes participating in these discussions in order to encourage their employees to share their experiences as well. According to the interviews, these discussions were also open between members of the bakery and other interested bakery stakeholders such as customers, suppliers, business partners, and agents whenever an opportunity would arise. Also, according to the interviews, bakeries were encouraging all members of the bakery to generate ideas and become part of the implementation chain. The motive behind was to involve members of the bakery in owning ideas generated by their fellow employees in order to increase productivity. They were also ready to share their experiences and cooperate in implementing useful ideas given by the bakery stakeholders such as customers, suppliers, agents, and business partners. In addition, bakery owners/managers were the champions in supporting the training of their employees in order to successfully implement the useful generated ideas. However, as it was noted, only few bakeries were documenting the implementation process of the generated ideas.

5.10 Knowledge Management Strategies and Bakery Performance

Under the moderation of education, and experience, the contribution of knowledge creation, knowledge sharing, and knowledge utilisation on cost, and output levels of SME bakeries in Tanzania is established.

5.10.1 Hypothesis Testing: Knowledge Creation and Cost Level, under E

As stated earlier, the study hypothesises that (Hypothesis 4a);

H_0: The owner's/manager's education does not moderate the relationship between knowledge creation and cost level.

H_1: The owner's/manager's education moderates the relationship between knowledge creation and cost level.

The assessment of the increase in variation explained by the addition of an interaction term between knowledge management strategy (knowledge creation) and the education level of the owner/manager of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 4.2%, $F(1, 157) = 7.384$, $p = .007$ as revealed in Table 5-82 was statistically significant, thus confirming that the education level of the owner/manager of the bakery moderates the effect of knowledge creation strategies on cost level.

Table 5-82: Model Summary[c] (CT, KC, and AE or BE)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.240[a]	.058	.046	2.05176	.058	4.827	2	158	.009
2	.316[b]	.100	.083	2.01152	.042	7.384	1	157	.007

a. Predictors: (Constant), AE, KC
b. Predictors: (Constant), AE, KC, KC_X_AE
c. Dependent Variable: CT
Or
a. Predictors: (Constant), BE, KC
b. Predictors: (Constant), BE, KC, KC_X_BE
c. Dependent Variable: CT

The coefficient of the interaction term (0.428 ± 0.158) was statistically significant ($p = .007$) indicating that the education level of the owner/manager of the bakery moderates the relationship between cost level and knowledge creation strategies as revealed in Table 5-83 and Table 5-84. The simple slopes analysis informs that the linear relationship between cost level and knowledge creation strategies in bakeries with the owner/manager having an advanced education (-0.034 ± 0.103), was not statistically significant, $p = .740$ as revealed in Table 5-83.

Table 5-83: Coefficients[a] (CT, KC, and BE)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.729	.413		9.019	.000	2.913	4.546
	Creation	-.219	.080	-.213	-2.748	.007	-.376	-.061
	BE	.565	.326	.135	1.737	.084	-.078	1.209
2	(Constant)	2.940	.499		5.894	.000	1.954	3.925
	KC	-.034	.103	-.034	-.333	.740	-.239	.170
	BE	2.507	.783	.598	3.204	.002	.961	4.053
	KC_X_BE	-.428	.158	-.554	-2.717	.007	-.739	-.117
a. Dependent Variable: CT								

Simple slopes analysis informs that the linear relationship between cost level and knowledge creation strategies in bakeries with the owner/manager having a basic education (-0.463 ± 0.119), was statistically significant, $p = .000$ ($p < .0005$). However, the relationship is negative as revealed in Table 5-84.

Table 5-84: Coefficients[a] (CT, KC, and AE)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	4.295	.438		9.816	.000	3.431	5.159		
	KC	-.219	.080	-.213	-2.748	.007	-.376	-.061	.989	1.012
	AE	-.565	.326	-.135	-1.737	.084	-1.209	.078	.989	1.012
2	(Constant)	5.447	.603		9.031	.000	4.256	6.638		
	KC	-.463	.119	-.452	-3.889	.000	-.697	-.228	.425	2.351
	AE	-2.507	.783	-.598	-3.204	.002	-4.053	-.961	.164	6.082
	KC_X_AE	.428	.158	.539	2.717	.007	.117	.739	.146	6.852
a. Dependent Variable: CT										

5.10.2 Hypothesis Testing: Knowledge Creation and Output Level, under X

As stated earlier, the study hypothesises that (Hypothesis 4b);

H_0: The owner's/manager's business experience does not moderate the relationship between knowledge creation and output level.

H_1: The owner's/manager's business experience moderates the relationship between knowledge creation and output level.

The assessment of the increase in variation explained by the addition of an interaction term between knowledge management strategies (knowledge creation) and business experience of the owner/manager of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 4.1%, $F(1, 157) = 7.146$, $p = .008$ as revealed in Table 5-85 was statistically significant, thus confirming that the business experience of the owner/manager of the bakery moderates the effect of knowledge creation strategies on output level.

Table 5-85: Model Summary[c] (OT, KC, and AX or BX)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.245[a]	.060	.048	2.22939	.060	5.062	2	158	.007
2	.318[b]	.101	.084	2.18725	.041	7.146	1	157	.008

a. Predictors: (Constant), AX, KC
b. Predictors: (Constant), AX, KC, KC_X_AX
c. Dependent Variable: OT
Or
a. Predictors: (Constant), BX, KC
b. Predictors: (Constant), BX, KC, KC_X_BX
c. Dependent Variable: OT

The coefficient of the interaction term (0.496 ± 0.185) was statistically significant (p = .008) indicating that the business experience of the owner/manager of the bakery moderates the relationship between output level and knowledge creation strategies as revealed in Table 5-86 and Table 5-87. The simple slopes analysis informs that the linear relationship between output level and knowledge creation strategies in bakeries with the owner/manager having an advanced business experience (0.381 ± 0.155), was statistically significant, p = .015 as revealed in Table 5-86.

Table 5-86: Coefficients[a] (OT, KC, and BX)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.635	.508		9.118	.000	3.631	5.639
	KC	.035	.087	.031	.399	.690	-.137	.206
	BX	-1.124	.365	-.239	-3.079	.002	-1.846	-.403
2	(Constant)	2.952	.803		3.676	.000	1.366	4.539
	KC	.381	.155	.342	2.459	.015	.075	.688
	BX	1.201	.941	.256	1.276	.204	-.657	3.059
	KC_X_BX	-.496	.185	-.586	-2.673	.008	-.862	-.129

a. Dependent Variable: OT

The simple slopes analysis informs that the linear relationship between output level and creation strategies in bakeries with the owner/manager having a basic business experience (-0.114 ± 0.102), was not statistically significant, p = .262 as revealed in Table 5-87.

Table 5-87: Coefficients[a] (OT, KC, and AX)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	3.511	.435		8.072	.000	2.652	4.370		
	KC	.035	.087	.031	.399	.690	-.137	.206	.983	1.017
	AX	1.124	.365	.239	3.079	.002	.403	1.846	.983	1.017
2	(Constant)	4.153	.490		8.481	.000	3.186	5.120		
	KC	-.114	.102	-.103	-1.125	.262	-.315	.086	.688	1.454
	AX	-1.201	.941	-.256	-1.276	.204	-3.059	.657	.143	7.008
	KC_X_AX	.496	.185	.567	2.673	.008	.129	.862	.127	7.846

a. Dependent Variable: OT

5.10.3 Hypothesis Testing: Knowledge Sharing and Cost Level, under E

As stated earlier, the study hypothesises that (Hypothesis 4c);

H_0: The owner's/manager's education does not moderate the relationship between knowledge sharing and cost level.

H_1: The owner's/manager's education moderates the relationship between knowledge sharing and cost level.

The assessment of the increase in variation explained by the addition of an interaction term between knowledge management strategy (knowledge sharing) and the education level of the owner/manager of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 4.6%, $F(1, 157) = 8.053$, $p = .005$ as revealed in Table 5-88 was statistically significant, thus confirming that the education level of the owner/manager of the bakery moderates the effect of knowledge sharing strategies on cost level.

Table 5-88: Model Summary[c] (CT, KS, and AE or BE)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.246[a]	.060	.049	2.05784	.060	5.082	2	158	.007
2	.326[b]	.106	.089	2.01339	.046	8.053	1	157	.005

a. Predictors: (Constant), AE, KS
b. Predictors: (Constant), AE, KS, KS_X_AE
c. Dependent Variable: CT
Or
a. Predictors: (Constant), BE, KS
b. Predictors: (Constant), BE, KS, KS_X_BE
c. Dependent Variable: CT

The coefficient of the interaction term (0.469 ± 0.165) was statistically significant ($p = .005$) indicating that the education level of the owner/manager of the bakery moderates the relationship between cost level and knowledge sharing strategies as revealed in Table 5-89 and Table 5-90. The simple slopes analysis informs that the linear relationship between cost level and knowledge sharing strategies in bakeries with the owner/manager having an advanced education (0.219 ± 0.120), was not statistically significant, $p = .070$ as revealed in Table 5-89.

Table 5-89: Coefficients[a] (CT, KS, and BE)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.221	.484		6.656	.000	2.265	4.177
	KS	-.029	.084	-.026	-.339	.735	-.195	.138
	BE	1.021	.326	.242	3.135	.002	.378	1.664
2	(Constant)	1.981	.644		3.074	.002	.708	3.254
	KS	.219	.120	.200	1.822	.070	-.018	.456
	BE	3.310	.867	.786	3.816	.000	1.597	5.023
	KS_X_BE	-.469	.165	-.612	-2.838	.005	-.796	-.143

a. Dependent Variable: CT

The simple slopes analysis informs that the linear relationship between cost level and knowledge sharing strategies in bakeries with the owner/manager having a basic education (-0.251 ± 0.114), was statistically significant, $p = .029$. However, the relationship was negative as revealed in Table 5-90.

Table 5-90: Coefficients[a] (CT, KS, and AE)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	4.242	.457		9.273	.000	3.339	5.146		
	KS	-.029	.084	-.026	-.339	.735	-.195	.138	.994	1.006
	AE	-1.021	.326	-.242	-3.135	.002	-1.664	-.378	.994	1.006
2	(Constant)	5.291	.580		9.115	.000	4.144	6.438		
	KS	-.251	.114	-.230	-2.203	.029	-.476	-.026	.524	1.910
	AE	-3.310	.867	-.786	-3.816	.000	-5.023	-1.597	.134	7.454
	KS_X_AE	.469	.165	.632	2.838	.005	.143	.796	.115	8.720

a. Dependent Variable: CT

5.10.4 Hypothesis Testing: Knowledge Sharing and Output Level, under X

As stated earlier, the study hypothesises that (Hypothesis 4d);

H_0: The owner's/manager's business experience does not moderate the relationship between knowledge sharing and output level.

H_1: The owner's/manager's business experience moderates the relationship between knowledge sharing and output level.

The assessment of the increase in variation explained by the addition of an interaction term between knowledge management strategies (knowledge sharing) and business experience of the owner/manager of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 4.1%, $F(1, 157) = 7.252$, $p = .008$ as revealed in Table 5-91 was statistically significant, thus confirming that the business experience of the owner/manager of the bakery moderates the effect of knowledge sharing strategies on output level.

Table 5-91: Model Summary[c] (OT, KS, and AX or BX)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.267[a]	.071	.060	1.99699	.071	6.065	2	158	.003
2	.335[b]	.112	.095	1.95862	.041	7.252	1	157	.008

a. Predictors: (Constant), AX, KS
b. Predictors: (Constant), AX, KS, KS_X_AX
c. Dependent Variable: OT
Or
a. Predictors: (Constant), BX, KS
b. Predictors: (Constant), BX, KS, KS_X_BX
c. Dependent Variable: OT

The coefficient of the interaction term (0.438 ± 0.163) was statistically significant ($p = .008$) indicating that the business experience of the owner/manager of the bakery moderates the relationship between output level and knowledge sharing strategies as revealed in Table 5-92 and Table 5-93. The simple slopes analysis informs that the linear relationship between output level and knowledge sharing strategies in bakeries with the owner/manager having an advanced business experience (0.532 ± 0.124), was statistically significant, $p = .000$ ($p < .0005$) as revealed in Table 5-92.

Table 5-92: Coefficients[a] (OT, KS, and BX)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.370	.461		7.307	.000	2.459	4.281
	KS	.278	.082	.261	3.391	.001	.116	.439
	BX	.180	.325	.043	.554	.580	-.462	.823
2	(Constant)	2.178	.633		3.440	.001	.927	3.428
	KS	.532	.124	.499	4.291	.000	.287	.777
	BX	2.286	.845	.540	2.707	.008	.618	3.955
	KS_X_BX	-.438	.163	-.602	-2.693	.008	-.760	-.117

a. Dependent Variable: OT

The simple slopes analysis informs that the linear relationship between output level and knowledge sharing strategies in bakeries with the owner/manager having a basic business experience (0.094 ± 0.105), was not statistically significant, $p = .375$ as revealed in Table 5-93.

Table 5-93: Coefficients[a] (OT, KS, and AX)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	3.551	.453		7.835	.000	2.656	4.446		
	KS	.278	.082	.261	3.391	.001	.116	.439	.995	1.005
	AX	-.180	.325	-.043	-.554	.580	-.823	.462	.995	1.005
2	(Constant)	4.464	.559		7.984	.000	3.360	5.568		
	KS	.094	.105	.088	.890	.375	-.114	.302	.578	1.731
	AX	-2.286	.845	-.540	-2.707	.008	-3.955	-.618	.142	7.046
	KS_X_AX	.438	.163	.554	2.693	.008	.117	.760	.134	7.472

a. Dependent Variable: OT

5.10.5 Hypothesis Testing: Knowledge Utilisation and Cost Level, under E

As stated earlier, the study hypothesises that (Hypothesis 4e);

H_0: The owner's/manager's education does not moderate the relationship between knowledge utilisation and cost level.

H_1: The owner's/manager's education moderates the relationship between knowledge utilisation and cost level.

The assessment of the increase in variation explained by the addition of an interaction term between knowledge management strategy (knowledge utilisation) and the education level of the owner/manager of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 9.5%, $F(1, 157) = 17.378$, $p = .000$ ($p < .0005$) as revealed in Table 5-94 was statistically significant, thus confirming that the education level of the owner/manager moderates the effect of knowledge utilisation strategies on cost level.

Table 5-94: Model Summary[c] (CT, KU, and AE or BE)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.221[a]	.049	.037	2.42423	.049	4.072	2	158	.019
2	.379[b]	.144	.127	2.30758	.095	17.378	1	157	.000

a. Predictors: (Constant), AE, KU
b. Predictors: (Constant), AE, KU, KU_X_AE
c. Dependent Variable: CT
Or
a. Predictors: (Constant), BE, KU
b. Predictors: (Constant), BE, KU, KU_X_BE
c. Dependent Variable: CT

The coefficient of the interaction term (0.771 ± 0.185) was statistically significant (p = .000 or p < .0005) indicating that the education level of the owner/manager of the bakery moderates the relationship between cost level and utilisation strategies as revealed in Table 5-95 and Table 5-96. The simple slopes analysis informs that the linear relationship between cost level and utilisation strategies in bakeries with the owner/manager having an advanced education (0.444 ± 0.134), was statistically significant, p = .001 as revealed in Table 5-95.

Table 5-95: Coefficients[a] (CT, KU, and BE)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.415	.556		6.138	.000	2.316	4.514
	KU	.042	.097	.033	.431	.667	-.150	.234
	BE	1.087	.383	.221	2.839	.005	.331	1.843
2	(Constant)	1.414	.715		1.978	.050	.002	2.826
	KU	.444	.134	.355	3.324	.001	.180	.708
	BE	4.852	.974	.984	4.982	.000	2.928	6.776
	KU_X_BE	-.771	.185	-.870	-4.169	.000	-1.136	-.406
a. Dependent Variable: CT								

The simple slopes analysis informs that the linear relationship between cost level and knowledge utilisation strategies in bakeries with the owner/manager having a basic education (-0.327 ± 0.128), was statistically significant, p = .012. However, the linear relationship is negative as revealed in Table 5-96.

Table 5-96: Coefficients[a] (CT, KU, and AE)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	4.502	.534		8.427	.000	3.447	5.558		
	KU	.042	.097	.033	.431	.667	-.150	.234	.998	1.002
	AE	-1.087	.383	-.221	-2.839	.005	-1.843	-.331	.998	1.002
2	(Constant)	6.266	.662		9.472	.000	4.959	7.573		
	KU	-.327	.128	-.262	-2.556	.012	-.580	-.074	.520	1.921
	AE	-4.852	.974	-.984	-4.982	.000	-6.776	-2.928	.140	7.157
	KU_X_AE	.771	.185	.887	4.169	.000	.406	1.136	.120	8.307
a. Dependent Variable: CT										

5.10.6 Hypothesis Testing: Knowledge Utilisation and Output Level, under X

As stated earlier, the study hypothesises that (Hypothesis 4f);

H_0: The owner's/manager's business experience does not moderate the relationship between knowledge utilisation and output level.

H_1: The owner's/manager's business experience moderates the relationship between knowledge utilisation and output level.

The assessment of the increase in variation explained by the addition of an interaction term between knowledge management strategies (knowledge utilisation) and business experience of the owner/manager of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 3.4%, $F(1, 157) = 5.775$, p = .017 as revealed in Table 5-97 was statistically significant, thus confirming that the business experience

of the owner/manager of the bakery moderates the effect of knowledge utilisation strategies on output level.

Table 5-97: Model Summary[c] (OT, KU, and AX or BX)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.234[a]	.055	.043	1.93640	.055	4.572	2	158	.012
2	.297[b]	.088	.071	1.90778	.034	5.775	1	157	.017

a. Predictors: (Constant), AX, KU
b. Predictors: (Constant), AX, KU, KU_X_AX
c. Dependent Variable: OT
Or
a. Predictors: (Constant), BX, KU
b. Predictors: (Constant), BX, KU, KU_X_BX
c. Dependent Variable: OT

The coefficient of the interaction term (0.376 ± 0.156) was statistically significant (p = .017) indicating that the business experience of the owner/manager of the bakery moderates the relationship between output level and knowledge utilisation strategies as revealed in Table 5-98 and Table 5-99. The simple slopes analysis informs that the linear relationship between output level and knowledge utilisation strategies in bakeries with the owner/manager having an advanced business experience (0.440 ± 0.121), was statistically significant, p = .000 (p < .0005) as revealed in Table 5-98.

Table 5-98: Coefficients[a] (OT, KU, and BX)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.873	.435		8.900	.000	3.014	4.733
	KU	.216	.078	.216	2.774	.006	.062	.370
	BX	.279	.317	.069	.881	.380	-.346	.904
2	(Constant)	2.846	.606		4.700	.000	1.650	4.042
	KU	.440	.121	.440	3.645	.000	.202	.678
	BX	2.074	.810	.510	2.562	.011	.475	3.674
	KU_X_BX	-.376	.156	-.548	-2.403	.017	-.685	-.067

a. Dependent Variable: OT

The simple slopes analysis informs that the linear relationship between output level and knowledge utilisation strategies in bakeries with the owner/manager having a basic business experience (0.064 ± 0.099), was not statistically significant, p = .520 as revealed in Table 5-99.

Table 5-99: Coefficients[a] (OT, KU, and AX)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	4.152	.439		9.467	.000	3.286	5.018		
	KU	.216	.078	.216	2.774	.006	.062	.370	.987	1.013
	AX	-.279	.317	-.069	-.881	.380	-.904	.346	.987	1.013
2	(Constant)	4.920	.537		9.155	.000	3.859	5.982		
	KU	.064	.099	.064	.645	.520	-.132	.261	.588	1.701
	AX	-2.074	.810	-.510	-2.562	.011	-3.674	-.475	.147	6.824
	KU_X_AX	.376	.156	.486	2.403	.017	.067	.685	.142	7.046

a. Dependent Variable: OT

5.11 Networking Strategies in Bakeries

Before determining the contribution of networking strategies on bakery performance, the PCA was employed to confirm variables that explain the network formation, intensity, and interdependence strategies. The PCA was run with all variables associated with networking

strategies and the findings reveal that all variables had at least one correlation with another variable ($r \geq 0.3$) as revealed in Table 5-100.

Table 5-100: Correlation Matrix (Networking)

Variable	NF1	NF2	NF3	NF4	NF5	NI1	NI2	NI3	NI4	NI5	NI6	ND1	ND2	ND3	ND4	ND5
NF1	1.000															
NF2	.684	1.000														
NF3	.553	.587	1.000													
NF4	.424	.616	.543	1.000												
NF5	.614	.620	.574	.556	1.000											
NI1	.529	.529	.554	.530	.632	1.000										
NI2	.508	.637	.518	.601	.649	.722	1.000									
NI3	.510	.503	.476	.422	.654	.561	.625	1.000								
NI4	.432	.484	.393	.498	.451	.480	.492	.488	1.000							
NI5	.462	.503	.409	.517	.514	.591	.610	.517	.681	1.000						
NI6	.409	.468	.371	.567	.430	.494	.542	.480	.737	.698	1.000					
ND1	.477	.503	.456	.623	.515	.614	.636	.563	.578	.669	.630	1.000				
ND2	.457	.587	.484	.645	.522	.622	.643	.466	.560	.681	.603	.753	1.000			
ND3	.345	.409	.422	.498	.338	.403	.417	.319	.334	.348	.481	.592	.534	1.000		
ND4	.422	.449	.322	.416	.331	.432	.407	.303	.376	.385	.475	.484	.470	.631	1.000	
ND5	.303	.413	.313	.529	.461	.519	.539	.435	.471	.496	.593	.576	.611	.442	.562	1.000

The overall KMO measure was 0.927, which is 'marvellous' on Kaiser's (1974) classification of measure values as revealed in Table 5-101. The Bartlett's Test of Sphericity is statistically significant, $p = .000$ ($p < .0005$) as revealed in Table 5-23.

Table 5-101: KMO and Bartlett's Test (Networking)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.927
Bartlett's Test of Sphericity	Approx. Chi-Square	1769.586
	df	120
	Sig.	.000

The anti-image correlation matrix (Table 5-102) tells that all variables have KMO values greater than 0.860 (the lowest is 0.868), which shows adequacy of sampling.

Table 5-102: Anti-image Matrix (Networking)

	Variable	NF1	NF2	NF3	NF4	NF5	NI1	NI2	NI3	NI4	NI5	NI6	ND1	ND2	ND3	ND4	ND5
Anti-image Correlation	NF1	.905[a]															
	NF2	-.402	.915[a]														
	NF3	-.153	-.133	.946[a]													
	NF4	.147	-.245	-.188	.944[a]												
	NF5	-.234	-.083	-.107	-.165	.938[a]											
	NI1	-.101	.135	-.192	.026	-.152	.947[a]										
	NI2	.090	-.243	.028	-.085	-.101	-.347	.947[a]									
	NI3	-.060	-.018	-.086	.151	-.311	-.015	-.202	.937[a]								
	NI4	-.010	-.083	-.051	-.016	-.011	-.008	.089	-.084	.930[a]							
	NI5	-.020	.009	.022	.067	-.060	-.098	-.091	-.010	-.217	.939[a]						
	NI6	-.051	.041	.058	-.149	.102	.050	-.046	-.061	-.444	-.288	.913[a]					
	ND1	-.121	.149	.066	-.167	.078	-.069	-.074	-.207	-.073	-.173	.002	.936[a]				
	ND2	.040	-.176	-.032	-.109	.026	-.102	-.051	.125	-.024	-.250	.048	-.315	.943[a]			
	ND3	.067	.017	-.185	-.074	-.007	.050	.003	.019	.121	.181	-.186	-.288	-.126	.868[a]		
	ND4	-.189	-.126	.081	.046	.097	-.100	.036	.063	-.026	-.032	-.015	.034	.068	-.459	.871[a]	
	ND5	.167	.051	.088	-.090	-.143	-.071	-.063	-.067	.021	.093	-.225	-.056	-.216	.105	-.353	.918[a]

5.11.1 Retained Components

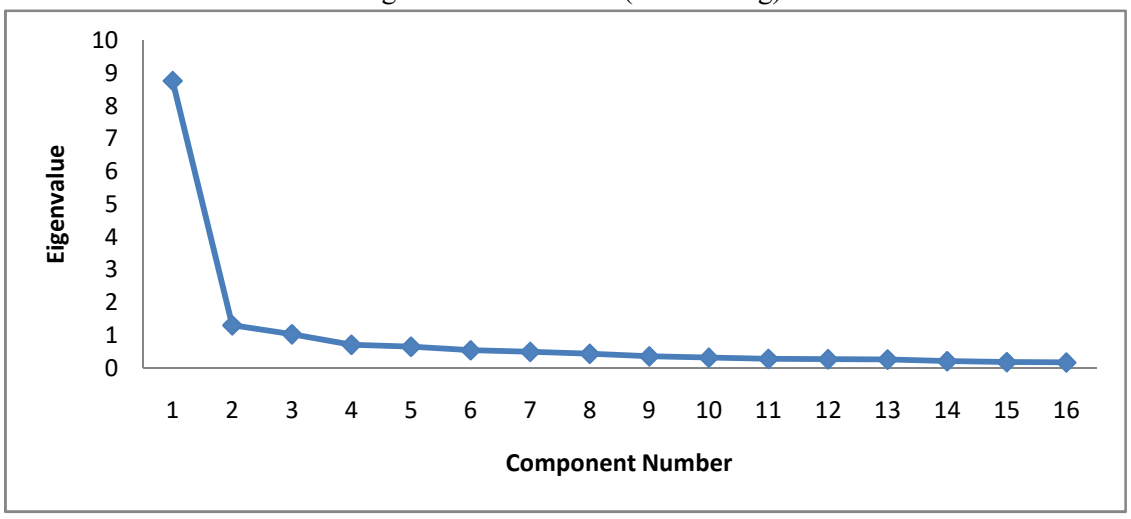
As revealed in Table 5-103, three components should be retained based on their Eigenvalues being greater than 1. Additionally, the first three components should be retained based on the lower criterion of 60% (they explain 69.324% of the total variance) as revealed in Table 5-103.

Table 5-103: Total Variance Explained (Networking)

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.750	54.691	54.691	8.750	54.691	54.691	4.354	27.210	27.210
2	1.306	8.162	62.853	1.306	8.162	62.853	4.123	25.770	52.980
3	1.035	6.471	69.324	1.035	6.471	69.324	2.615	16.344	69.324
4	.714	4.460	73.784						
5	.653	4.079	77.863						
6	.543	3.393	81.256						
7	.496	3.100	84.355						
8	.439	2.744	87.100						
9	.361	2.257	89.356						
10	.320	2.001	91.358						
11	.283	1.768	93.126						
12	.271	1.691	94.817						
13	.262	1.640	96.457						
14	.211	1.317	97.774						
15	.184	1.153	98.926						
16	.172	1.074	100.000						
Extraction Method: Principal Component Analysis.									

On the other hand, the visual inspection of the Scree Plot in Figure 5-5 suggests that two components should be retained. However, Table 5-104 is examined to see whether it reveals a simple structure.

Figure 5-5: Scree Plot (Networking)



The Rotated Component Matrix (Table 5-104) appears to be a simple structure. The structure tells that each variable has only one component that loads strongly on it. Additionally, each component loads strongly on at least three variables. In this regard, three components are retained.

Table 5-104: Rotated Component Matrix[a] (Networking)

	Component		
Variable	1	2	3
NF5	.787		
NF1	.769		
NF3	.752		
NF2	.738		
NF4	.476		
NI5		.798	
NI6		.792	
NI4		.790	
NI3		.633	
NI2		.628	
NI1		.616	
ND3			.832
ND4			.805
ND1			.628
ND2			.607
ND5			.574

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 6 iterations.

Based on the Qualitative Content Analysis (Manifest Analysis), the interviews confirmed that bakery owners/managers and their employees kept on developing their business networks with their family members, friends, and fellow members of their social groups who are likely to advance these networks to their family members, friends, and their fellow members of their social groups as well. Through these networks, bakeries get access to a chain of potential customers. The interviews also confirmed that bakery owners/managers and their employees were undergoing trainings whose intention was to advance their customer relationship management skills. Also, according to the interviews, trust, honesty, and readiness to help, were the major factors that defined and strengthened their networks with their close individuals as well as prospective customers. Bakeries confirmed that they were making a lot of efforts to ensure that they managed any misunderstandings or quarrels with their fellow network members in order to safeguard the interests of their businesses. In this regard, frequent communications that sought to inform their fellow network members about the development made in the bakeries were constantly being made. Also, according to the interviews, bakeries were sustaining their networks by regularly supporting the businesses owned by their fellow network members. For example, bakeries might purchase raw materials from their fellow network members in order to advance their networks. Also, special discounts would be given to fellow network members particularly when they purchased bakery products in bulk.

5.12 Networking Strategies and Bakery Performance

Under the moderation of bakery size, and bakery age, the contribution of network formation, network intensity, and interdependence strategies on number of customers, and sales levels of SME bakeries in Tanzania is established.

5.12.1 Hypothesis Testing: Network Formation and Number of Customers, under S

As stated earlier, the study hypothesises that (Hypothesis 5a);

H_0: The firm's size does not moderate the relationship between network formation and number of customers.

H1: The firm's size moderates the relationship between network formation and number of customers.

The assessment of the increase in variation explained by the addition of an interaction term between networking strategy (network formation) and size of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 6.1%, $F(1, 157) = 11.416$, $p = .001$ as revealed in Table 5-105 was statistically significant, thus confirming that the size of the bakery moderates the effect of network formation strategies on number of customers.

Table 5-105: Model Summary[c] (CM, NF, and AS or BS)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.306[a]	.093	.082	1.66000	.093	8.140	2	158	.000
2	.394[b]	.155	.139	1.60785	.061	11.416	1	157	.001

a. Predictors: (Constant), AS, NF
b. Predictors: (Constant), AS, NF, NF_X_AS
c. Dependent Variable: CM
Or
a. Predictors: (Constant), BS, NF
b. Predictors: (Constant), BS, NF, NF_X_BS
c. Dependent Variable: CM

The coefficient of the interaction term (0.764 ± 0.226) was statistically significant ($p = .001$) indicating that the size of the bakery moderates the relationship between number of customers and network formation as revealed in Table 5-106 and Table 5-107. The simple slopes analysis informs that the linear relationship between number of customers and network formation in bakeries with an advanced size (-0.136 ± 0.193), was not statistically significant, $p = .482$ as revealed in Table 5-106.

Table 5-106: Coefficients[a] (CM, NF, and BS)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.430	.685		5.010	.000	2.078	4.782
	NF	.419	.104	.316	4.027	.000	.214	.625
	BS	-.720	.561	-.101	-1.284	.201	-1.828	.387
2	(Constant)	5.773	.959		6.017	.000	3.878	7.668
	NF	-.136	.193	-.102	-.704	.482	-.517	.245
	BS	-4.235	1.174	-.592	-3.609	.000	-6.553	-1.917
	NF_X_BS	.764	.226	.763	3.379	.001	.318	1.211

a. Dependent Variable: CM

The simple slopes analysis informs that the linear relationship between number of customers and network formation in bakeries with a basic size (0.629 ± 0.118), was statistically significant, $p = .000$ ($p < .0005$) as revealed in Table 5-107.

Table 5-107: Coefficients[a] (CM, NF, and AS)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	2.710	.599		4.525	.000	1.527	3.893		
	NF	.419	.104	.316	4.027	.000	.214	.625	.934	1.071
	AS	.720	.561	.101	1.284	.201	-.387	1.828	.934	1.071
2	(Constant)	1.537	.676		2.274	.024	.202	2.873		
	NF	.629	.118	.473	5.311	.000	.395	.862	.678	1.474
	AS	4.235	1.174	.592	3.609	.000	1.917	6.553	.200	4.997
	NF_X_AS	-.764	.226	-.536	-3.379	.001	-1.211	-.318	.214	4.684

a. Dependent Variable: CM

5.12.2 Hypothesis Testing: Network Formation and Sales Level, under A

As stated earlier, the study hypothesises that (Hypothesis 5b);

H_0: The firm's age does not moderate the relationship between network formation and sales level.

H_1: The firm's age moderates the relationship between network formation and sales level.

The assessment of the increase in variation explained by the addition of an interaction term between networking strategy (network formation) and age of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 4.0%, $F(1, 157) = 6.921$, $p = .009$ as revealed in Table 5-108 was statistically significant, thus confirming that the age of the bakery moderates the effect of network formation strategies on sales level.

Table 5-108: Model Summary[c] (SL, NF, and AA or BA)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.231[a]	.054	.042	1.64164	.054	4.467	2	158	.013
2	.306[b]	.093	.076	1.61172	.040	6.921	1	157	.009

a. Predictors: (Constant), AA, NF
b. Predictors: (Constant), AA, NF, NF_X_AA
c. Dependent Variable: SL
Or
a. Predictors: (Constant), BA, NF
b. Predictors: (Constant), BA, NF, NF_X_BA
c. Dependent Variable: SL

The coefficient of the interaction term (0.408 ± 0.155) was statistically significant ($p = .009$) indicating that the age of the bakery moderates the relationship between sales level and network formation as revealed in Table 5-109 and Table 5-110. The simple slopes analysis informs that the linear relationship between sales level and network formation in bakeries with an advanced age (0.448 ± 0.136), was statistically significant, $p = .001$ as revealed in Table 5-109.

Table 5-109: Coefficients[a] (SL, NF, and BA)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.565	.412		11.093	.000	3.753	5.378
	NF	.134	.067	.156	2.007	.046	.002	.265
	BA	-.712	.308	-.179	-2.312	.022	-1.320	-.104
2	(Constant)	3.096	.689		4.492	.000	1.735	4.458
	NF	.448	.136	.522	3.289	.001	.179	.717
	BA	1.217	.793	.306	1.535	.127	-.349	2.784
	NF_X_BA	-.408	.155	-.654	-2.631	.009	-.715	-.102

a. Dependent Variable: SL

The simple slopes analysis informs that the linear relationship between sales level and network formation in bakeries with basic age (0.040 ± 0.074), was not statistically significant, p = .595 as revealed in Table 5-110.

Table 5-110: Coefficients[a] (SL, NF, and AA)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	3.853	.358		10.767	.000	3.147	4.560		
	NF	.134	.067	.156	2.007	.046	.002	.265	.998	1.003
	AA	.712	.308	.179	2.312	.022	.104	1.320	.998	1.003
2	(Constant)	4.314	.393		10.990	.000	3.538	5.089		
	NF	.040	.074	.046	.533	.595	-.107	.187	.768	1.302
	AA	-1.217	.793	-.306	-1.535	.127	-2.784	.349	.145	6.902
	NF_X_AA	.408	.155	.531	2.631	.009	.102	.715	.142	7.066

a. Dependent Variable: SL

5.12.3 Hypothesis Testing: Network Intensity and Number of Customers, under S

As stated earlier, the study hypothesises that (Hypothesis 5c);

H_0: The firm's size does not moderate the relationship between network intensity and number of customers.

H_1: The firm's size moderates the relationship between network intensity and number of customers.

The assessment of the increase in variation explained by the addition of an interaction term between networking strategy (network intensity) and size of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 4.6%, $F(1, 157) = 8.141$, p = .005 as revealed in Table 5-111 was statistically significant, thus confirming that the size of the bakery moderates the effect of network intensity strategies on number of customers.

Table 5-111: Model Summary[c] (CM, NI, and AS or BS)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.242[a]	.059	.047	2.12232	.059	4.918	2	158	.008
2	.324[b]	.105	.088	2.07592	.046	8.141	1	157	.005

a. Predictors: (Constant), AS, NI
b. Predictors: (Constant), AS, NI, NI_X_AS
c. Dependent Variable: CM
Or
a. Predictors: (Constant), BS, NI
b. Predictors: (Constant), BS, NI, NI_X_BS
c. Dependent Variable: CM

The coefficient of the interaction term (0.750 ± 0.263) was statistically significant (p = .005) indicating that the size of the bakery moderates the relationship between the number of customers and network intensity as revealed in Table 5-112 and Table 5-113. The simple slopes analysis informs that the linear relationship between the number of customers and network intensity in bakeries with an advanced size (-0.460 ± 0.237), was not statistically significant, p = .054 as revealed in Table 5-112.

Table 5-112: Coefficients[a] (CM, NI, and BS)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.542	.813		1.897	.060	-.064	3.147
	NI	.150	.105	.112	1.436	.153	-.056	.357
	BS	1.762	.703	.196	2.505	.013	.373	3.150
2	(Constant)	4.216	1.229		3.430	.001	1.788	6.644
	NI	-.460	.237	-.344	-1.940	.054	-.928	.008
	BS	-1.684	1.390	-.188	-1.212	.227	-4.429	1.061
	NI_X_BS	.750	.263	.680	2.853	.005	.231	1.269

a. Dependent Variable: CM

The simple slopes analysis informs that the linear relationship between number of customers and network intensity in bakeries with a basic size (0.290 ± 0.113), was statistically significant, $p = .012$ as revealed in Table 5-113.

Table 5-113: Coefficients[a] (CM, NI, and AS)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	3.303	.603		5.480	.000	2.113	4.494		
	NI	.150	.105	.112	1.436	.153	-.056	.357	.971	1.029
	AS	-1.762	.703	-.196	-2.505	.013	-3.150	-.373	.971	1.029
2	(Constant)	2.532	.649		3.904	.000	1.251	3.813		
	NI	.290	.113	.217	2.555	.012	.066	.514	.790	1.265
	AS	1.684	1.390	.188	1.212	.227	-1.061	4.429	.238	4.204
	NI_X_AS	-.750	.263	-.437	-2.853	.005	-1.269	-.231	.243	4.117

a. Dependent Variable: CM

5.12.4 Hypothesis Testing: Network Intensity and Sales Level, under A

As stated earlier, the study hypothesises that (Hypothesis 5d);

H_0: The firm's age does not moderate the relationship between network intensity and sales level.

H_1: The firm's age moderates the relationship between network intensity and sales level.

The assessment of the increase in variation explained by the addition of an interaction term between networking strategy (network intensity) and age of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 9.8%, $F(1, 157) = 19.531$, $p = .000$ ($p < .0005$) as revealed in Table 5-114 was statistically significant, thus confirming that the age of the bakery moderates the effect of network intensity on sales level.

Table 5-114: Model Summary[c] (SL, NI, and AA or BA)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.336[a]	.113	.101	2.11696	.113	10.021	2	158	.000
2	.459[b]	.211	.196	2.00277	.098	19.531	1	157	.000

a. Predictors: (Constant), AA, NI
b. Predictors: (Constant), AA, NI, NI_X_AA
c. Dependent Variable: SL
Or
a. Predictors: (Constant), BA, NI
b. Predictors: (Constant), BA, NI, NI_X_BA
c. Dependent Variable: SL

The coefficient of the interaction term (0.922 ± 0.209) was statistically significant (p = .000 or p < .0005) indicating that the age of the bakery moderates the relationship between sales level and network intensity as revealed in Table 5-115 and Table 5-116. The simple slopes analysis informs that the linear relationship between sales level and network intensity in bakeries with an advanced age (0.451 ± 0.192), was statistically significant, p = .020 as revealed in Table 5-115.

Table 5-115: Coefficients[a] (SL, NI, and BA)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	5.259	.547		9.619	.000	4.179	6.339
	NI	-.326	.080	-.307	-4.076	.000	-.484	-.168
	BA	-.904	.399	-.171	-2.267	.025	-1.691	-.116
2	(Constant)	1.164	1.061		1.097	.275	-.932	3.260
	NI	.451	.192	.425	2.356	.020	.073	.830
	BA	3.876	1.145	.732	3.384	.001	1.613	6.138
	NI_X_BA	-.922	.209	-1.145	-4.419	.000	-1.334	-.510
a. Dependent Variable: SL								

The simple slopes analysis informs that the linear relationship between sales level and network intensity in bakeries with basic age (-0.470 ± 0.082), was statistically significant, p = .000 (p < .0005). However, the linear relationship is negative as revealed in Table 5-116.

Table 5-116: Coefficients[a] (SL, NI, and AA)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	4.355	.425		10.250	.000	3.516	5.195		
	NI	-.326	.080	-.307	-4.076	.000	-.484	-.168	.989	1.011
	AA	.904	.399	.171	2.267	.025	.116	1.691	.989	1.011
2	(Constant)	5.039	.431		11.699	.000	4.189	5.890		
	NI	-.470	.082	-.443	-5.705	.000	-.633	-.308	.834	1.198
	AA	-3.876	1.145	-.732	-3.384	.001	-6.138	-1.613	.107	9.320
	NI_X_AA	.922	.209	.979	4.419	.000	.510	1.334	.102	9.757
a. Dependent Variable: SL										

5.12.5 Hypothesis Testing: Interdependence Strategies and Number of Customers, under S

As stated earlier, the study hypothesises that (Hypothesis 5e);

H_0: The firm's size does not moderate the relationship between interdependence and number of customers.

H_1: The firm's size moderates the relationship between interdependence and number of customers.

The assessment of the increase in variation explained by the addition of an interaction term between networking strategy (interdependence) and size of the bakery to a main effects model was done using a hierarchical multiple regression. The increase in total variation explained of 4.4%, $F(1, 157) = 7.682$, p = .006 as revealed in Table 5-117 was statistically significant, thus confirming that the size of the bakery moderates the effect of interdependence strategies on number of customers.

Table 5-117: Model Summary[c] (CM, ND, and AS or BS)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.230[a]	.053	.041	2.32341	.053	4.407	2	158	.014
2	.311[b]	.097	.080	2.27578	.044	7.682	1	157	.006

a. Predictors: (Constant), AS, ND
b. Predictors: (Constant), AS, ND, ND_X_AS
c. Dependent Variable: CM
Or
a. Predictors: (Constant), BS, ND
b. Predictors: (Constant), BS, ND, ND_X_BS
c. Dependent Variable: CM

The coefficient of the interaction term (0.984 ± 0.355) was statistically significant (p = .006) indicating that the size of the bakery moderates the relationship between the number of customers and interdependence as revealed in Table 5-118 and Table 5-119. The simple slopes analysis informs that the linear relationship between the number of customers and interdependence in bakeries with an advanced size (-0.591 ± 0.313), was not statistically significant, p = .061 as revealed in Table 5-118.

Table 5-118: Coefficients[a] (CM, ND, and BS)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.245	.981		2.287	.024	.306	4.183
	ND	.175	.151	.092	1.161	.247	-.123	.472
	BS	1.865	.779	.190	2.393	.018	.326	3.405
2	(Constant)	5.552	1.532		3.623	.000	2.525	8.579
	ND	-.591	.313	-.312	-1.886	.061	-1.209	.028
	BS	-2.645	1.797	-.270	-1.471	.143	-6.195	.905
	ND_X_BS	.984	.355	.711	2.772	.006	.283	1.685

a. Dependent Variable: CM

The simple slopes analysis informs that the linear relationship between the number of customers and interdependence in bakeries with a basic size (0.393 ± 0.167), was statistically significant, p = .020 as revealed in Table 5-119.

Table 5-119: Coefficients[a] (CM, ND, and AS)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	4.110	.851		4.831	.000	2.430	5.790		
	ND	.175	.151	.092	1.161	.247	-.123	.472	.947	1.056
	AS	-1.865	.779	-.190	-2.393	.018	-3.405	-.326	.947	1.056
2	(Constant)	2.907	.939		3.095	.002	1.052	4.763		
	ND	.393	.167	.208	2.351	.020	.063	.724	.737	1.357
	AS	2.645	1.797	.270	1.471	.143	-.905	6.195	.171	5.850
	ND_X_AS	-.984	.355	-.495	-2.772	.006	-1.685	-.283	.180	5.544

a. Dependent Variable: CM

5.12.6 Hypothesis Testing: Interdependence Strategies and Sales Level, under A

As stated earlier, the study hypothesises that (Hypothesis 5f);

H_0: The firm's age does not moderate the relationship between interdependence and sales level.

H_1: The firm's age moderates the relationship between interdependence and sales level.

The assessment of the increase in variation explained by the addition of an interaction term between networking strategy (interdependence) and age of the bakery to a main effects model

was done using a hierarchical multiple regression. The increase in total variation explained of 11.0%, $F(1, 157) = 20.792$, $p = .000$ ($p < .0005$) as revealed in Table 5-120 was statistically significant, thus confirming that the age of the bakery moderates the effect of interdependence strategies on sales level.

Table 5-120: Model Summary[c] (SL, ND, and AA or BA)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.238[a]	.057	.045	2.22298	.057	4.755	2	158	.010
2	.409[b]	.167	.151	2.09559	.110	20.792	1	157	.000

a. Predictors: (Constant), AA, ND
b. Predictors: (Constant), AA, ND, ND_X_AA
c. Dependent Variable: SL
Or
a. Predictors: (Constant), BA, ND
b. Predictors: (Constant), BA, ND, ND_X_BA
c. Dependent Variable: SL

The coefficient of the interaction term (0.933 ± 0.205) was statistically significant ($p = .000$ or $p < .0005$) indicating that the age of the bakery moderates the relationship between sales level and interdependence as revealed in Table 5-121 and Table 5-122. The simple slopes analysis informs that the linear relationship between sales level and interdependence in bakeries with an advanced age (0.386 ± 0.175), was statistically significant, $p = .029$ as revealed in Table 5-121.

Table 5-121: Coefficients[a] (SL, ND, and BA)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.132	.585		7.065	.000	2.977	5.288
	ND	-.296	.096	-.238	-3.071	.003	-.486	-.105
	BA	.202	.417	.038	.484	.629	-.622	1.026
2	(Constant)	.895	.899		.996	.321	-.880	2.671
	ND	.386	.175	.311	2.209	.029	.041	.732
	BA	4.702	1.062	.872	4.426	.000	2.604	6.801
	ND_X_BA	-.933	.205	-1.081	-4.560	.000	-1.337	-.529

a. Dependent Variable: SL

The simple slopes analysis informs that the linear relationship between sales level and interdependence in bakeries with basic age (-0.546 ± 0.106), was statistically significant, $p = .000$ ($p < .0005$). However, the linear relationship is negative as revealed in Table 5-122.

Table 5-122: Coefficients[a] (SL, ND, and AA)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	4.335	.524		8.273	.000	3.300	5.369		
	ND	-.296	.096	-.238	-3.071	.003	-.486	-.105	.996	1.004
	AA	-.202	.417	-.038	-.484	.629	-1.026	.622	.996	1.004
2	(Constant)	5.598	.566		9.884	.000	4.479	6.716		
	ND	-.546	.106	-.440	-5.150	.000	-.756	-.337	.728	1.374
	AA	-4.702	1.062	-.872	-4.426	.000	-6.801	-2.604	.137	7.324
	ND_X_AA	.933	.205	.909	4.560	.000	.529	1.337	.134	7.487

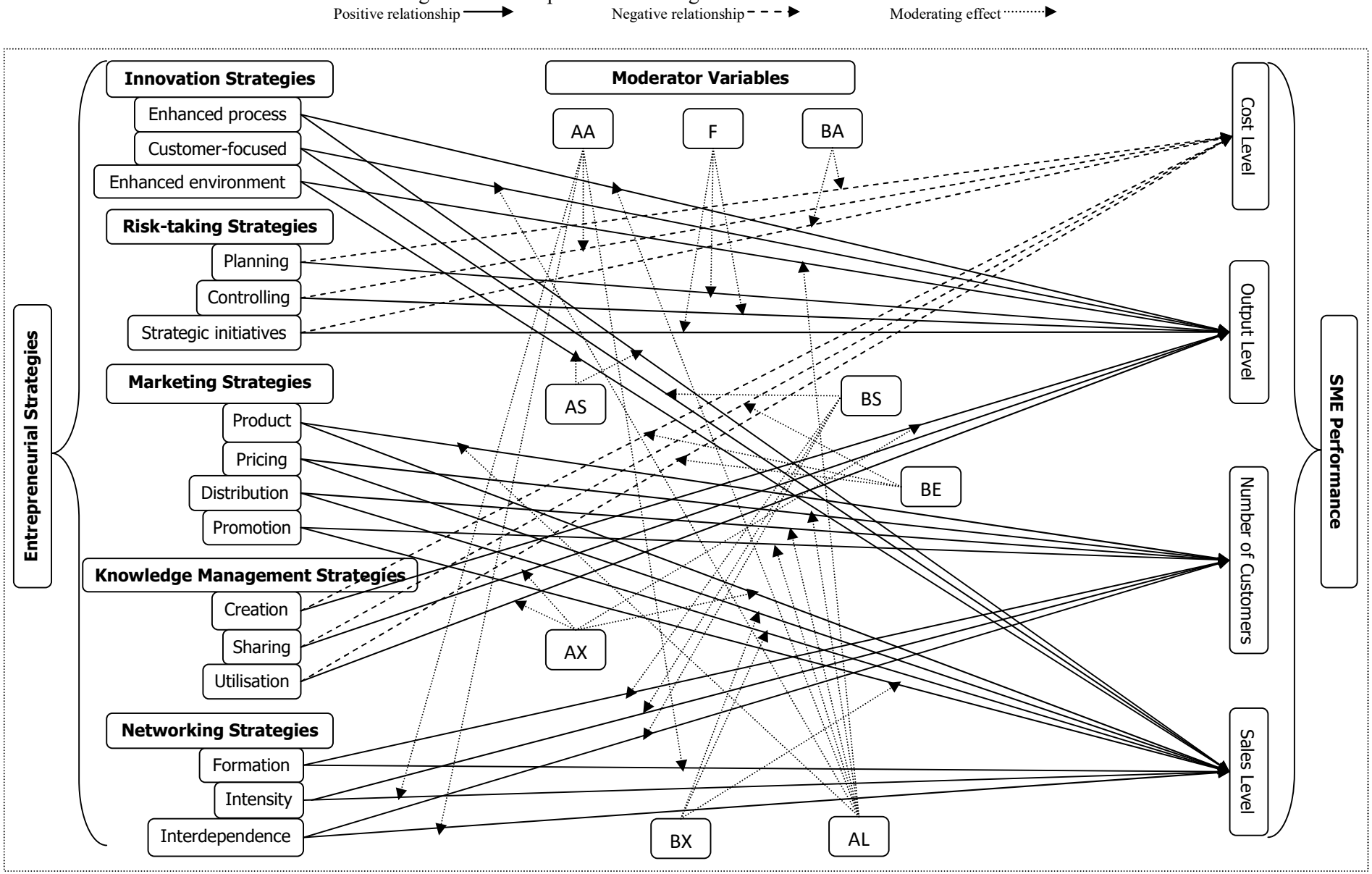
a. Dependent Variable: SL

5.13 Entrepreneurial Strategies-SME Performance Framework

As shown in Figure 5-6, the findings tell that bakeries in Tanzania can influence their performance by adopting entrepreneurial strategies. The framework shows that enhanced innovation process influences an increase in both output level, and sales level under the

moderation of advanced human resource competency, and advanced bakery size respectively. The framework also shows that customer-focused innovation influences an increase in both output level, and sales level under the moderation of advanced human resource competency, and bakery's basic size respectively. It also shows that enhanced innovation environment influences an increase in both output level, and sales level under the moderation of advanced human resource competency, and bakery's advanced size respectively. On the other hand, the framework tells that risk planning influences a decrease in cost level, and an increase in output level under the moderation of bakery's basic age, and female owner/manager respectively. Nevertheless, the framework informs that risk controlling influences a decrease in cost level, and an increase in output level under the moderation of bakery's advanced age, and female owner/manager respectively. It also confirms that strategic risk initiatives influence a decrease in cost level, and an increase in output level under the moderation of bakery's basic age, and female owner/manager respectively. It also reveals that product strategies influence an increase in both the number of customers, and sales level under the moderation of advanced human resource competency, and owner's/manager's advanced business experience respectively. The framework confirms that pricing strategies influence an increase in both number of customers, and sales level under the moderation of advanced human resource competency, and the owner's/manager's basic business experience respectively. Similarly, distribution strategies influence an increase in both the number of customers, and sales level under the moderation of advanced human resource competency, and the owner's/manager's basic business experience respectively. Likewise, promotion strategies influence an increase in both the number of customers, and sales level under the moderation of advanced human resource competency, and the owner's/manager's basic business experience respectively. On the other hand, knowledge creation influences a decrease in cost level, and an increase in output level under the moderation of the owner's/manager's basic education, and the owner's/manager's advanced business experience respectively. Similarly, knowledge sharing influences a decrease in cost level, and an increase in output level under the moderation of the owner's/manager's basic education, and the owner's/manager's advanced business experience respectively. Likewise, knowledge utilisation influences a decrease in cost level, and an increase in output level under the moderation of the owner's/manager's basic education, and the owner's/manager's advanced business experience respectively. On the other hand, network formation influences an increase in both number of customers, and sales level under the moderation of bakery's basic size, and bakery's advanced age respectively. Similarly, network intensity influences an increase in both number of customers, and sales level under the moderation of bakery's basic size, and bakery's advanced age respectively. Likewise, interdependence influences an increase in both number of customers, and sales level under the moderation of bakery's basic size, and bakery's advanced age respectively.

Figure 5-6: Entrepreneurial Strategies-SME Performance Framework



5.14 Chapter Summary

This chapter has explained about the study findings. Apart from the bakery characteristics, the chapter begins with the findings related to the establishment of the variables that characterise entrepreneurial strategies. In this regard, the principal component analysis has been employed to confirm variables that explain the enhanced innovation process, customer-focused innovation, and enhanced innovation environment. The PCA has also confirmed variables explaining the risk planning, risk controlling, strategic risk initiatives. Also, the marketing strategies: product, pricing, distribution, and promotion strategies are also confirmed through the PCA. It also analyses variables defining knowledge management: knowledge creation, knowledge sharing, and knowledge utilisation; and those defining networking: network formation, network intensity, and interdependence. Through the PCA, correlation matrices, Kaiser-Meyer-Olkin Measure of Sampling Adequacy and the Bartlett's Test of Sphericity have been analysed. Additionally, the retained components have been obtained. Thereafter, the moderator analysis has been adopted to establish the contribution of entrepreneurial strategies on bakery performance. In this regard, hypothesis testing has been done. Under the moderation of various moderator variables, the contribution of independent variables on the dependent variables has been established. The increase in variation explained by the addition of an interaction term between an independent variable and a moderator variable to a main effects model has been assessed. In this case, the coefficient of the interaction term has analysed. Additionally, the simple slopes analysis has been performed. The research findings based on the summary of the interviews analysed by the qualitative content analysis (manifest analysis) have been presented. Ultimately, the entrepreneurial strategies-SME performance framework has been established.

CHAPTER SIX

DISCUSSION OF THE FINDINGS

6.1 Introduction

This chapter presents the discussion of the findings. In this chapter, the discussion is based on the variables characterising entrepreneurial strategies in bakeries, and their contribution on bakery performance. Therefore, the discussion on variables characterising the enhanced innovation process, customer-focused innovation, enhanced innovation environment, risk planning, risk controlling, strategic risk initiatives, product strategies, pricing strategies, distribution strategies, promotion strategies, knowledge creation, knowledge sharing, knowledge utilisation, network formation, network intensity, and interdependence, and their contribution on bakery performance is presented. In these discussions, the role of the moderator variables is also highlighted. The discussion presented in this chapter seeks to intertwine the study findings and the environment, operations, initiatives, and practices of small and medium-sized bakeries in Tanzania.

6.2 Innovation Strategies and Bakery Performance

Both the variables characterising innovation strategies and their contribution on bakery performance are discussed.

6.2.1 Enhanced Innovation Process and Bakery Performance

The study tells that the relationship between enhanced innovation process and output level in SME bakeries is moderated by the workforce's professional behaviour, acquired competency through training, and the rewarding systems in bakeries (findings on Hypothesis 1a). The study further informs that there is a positive linear relationship between enhanced innovation process and output level in bakeries with advanced human resource competency (see Table 5-8). On the contrary, the negative linear relationship exists between enhanced innovation process and output level in bakeries with low human resource competency (see Table 5-9). In this regard, the study confirms that bakeries that improve their innovation processes through employees who behave professionally, are well trained, and rewarded accordingly, can increase their output level. This suggests that the commitment of SME owners/managers in facilitating professional training, and pleasant compensation schemes influences great production output. These findings are supported by De Jong & Den Hartog (2007) who inform that the firm leadership is in a better position of influencing the innovative behaviour of their workforce through their commitment in providing innovation resources, rewards, recognition, and mentoring.

The study tells that the relationship between enhanced innovation process and sales level in SME bakeries is moderated by the size of the bakery (findings on Hypothesis 1b). The study

further informs that there is a positive linear relationship between enhanced innovation process and sales level in bakeries with an advanced size (see Table 5-11). On the contrary, the negative linear relationship exists between enhanced innovation process and sales level in bakeries with a basic size (see Table 5-12). In this regard, the study can conclude that innovation processes that are improved and executed in SMEs that have a considerable number of employees are likely to increase their sales level. These findings may suggest that the SME growth particularly in terms of number of employees can effectively facilitate innovation processes and ultimately influence greater sales. This may be characterised by the possibility of accessing more innovation knowledge and experience from more employees than in SMEs whose number of employees is small. However, different firms with different sizes approach knowledge management practices differently (Kruger & Johnson, 2013).

Idea generation is a key entrepreneurial initiative that defines an enhanced innovation process in SMEs. This study tells that the willingness of bakeries to frequently encourage their employees to generate ideas in order to improve products plays a vital role in enhancing the innovation processes in their operating environment (see Table 5-6). Persuading employees to generate useful thoughts for improving innovation practices, and incorporate their useful ideas in innovation processes enables bakeries to attain competitiveness. That is why; the study confirms the contribution of enhanced innovation process on both output and sales performance of bakeries. Once generated ideas are incorporated in the innovation process, employees feel that they are part of the innovation process, and bakery owners/managers succeed in gluing the bond between employees and business. On the other hand, the frequency of idea generation from employees depends on the favourable working conditions. Team spirit, enhanced employer-employee relationships, and rewarding systems are among a few factors influencing employees to frequently generate ideas that ultimately improve bakery products. It has been realised that an innovative firm is likely to drive its performance if it motivates its employees and engages them in innovation in which it is likely to benefit from the contribution of employees' generated ideas (Rao, 2016).

The findings show that enhanced innovation processes are contributed to by readiness and commitment of bakery team to analyse all the reasons for any improvement to their products (see Table 5-6). The analysis will provide necessary information regarding the motive behind improving the products. The factors could be competition, customer preferences, or any other factors related to changes in the business environment. The analysis will enable the bakery to enhance its innovation process in order to integrate the required changes and suggested improvement. This analysis contributes significantly to the bakery performance particularly in terms of sales, and output levels. Making an in-depth analysis for business operations is one of

the key entrepreneurial initiatives defining innovation process in businesses including SME bakeries. This analysis enables a bakery to develop products that reflect customer choices. However, the capability in making an in-depth analysis requires competent staff and ability to access information from the market. These staff should be motivated, flexible, and hold creative thinking skills in order to enhance an innovation process (Hero, Lindfors, & Taatila, 2017). Employing and training competent workforce, and managing the marketing intelligence require abundant financial resources. Nevertheless, analysing reasons for any improvement to bakery products enables bakeries to successfully enhance their innovation processes thus leading to greater performance in terms of sales and output levels, hence increasing their financial capabilities.

As mentioned earlier, an enhanced process is a combination of several factors. One of these strategies is ability for a bakery to gain relevant knowledge and technical know-how in product improvement (see Table 5-6). In this regard, the bakery employees are the ones who need to acquire these skills and knowledge in order to have effective improvement of products. There is a positive relationship between these skills and product innovation. An enhanced process is the one that integrates the knowledge and skills of the key players: the human resource. However, training is one of the key human resource techniques that are used in acquiring staff competency. Once competency is attained, employees will be in a good position to manage the innovation processes in their bakeries. Training is a source of innovative capabilities. These capabilities play a vital role in influencing output and market performance (Gunday, Ulusoy, Kilic, & Alpkan, 2011). Nevertheless, training may increase the bakery's operation costs. However, increased output and sales can be strategic results that outweigh training costs in a long run and ultimately influence bakery competitiveness.

All improvements made to bakery products need to be tested before they get into the markets so that the consumers receive quality bakery products that meet their preferences. This is due to the fact that innovations are linked with long-term business objectives (Zizlavsky, 2016). Testing the performance of product improvements helps bakeries to reduce risks associated with poor products. Testing product improvements is similar to testing innovations made to bakery products. That is why the study defines an enhanced innovation process as one that among other things requires bakeries to test the performance of the improvements made to their products in order to influence competitiveness (see Table 5-6). However, in order to get desired results, the testing process or mechanisms need to integrate and reflect all improvements made such as ingredients, taste consideration, texture, colour, general appearance, and packaging with market factors such as consumer demands, competition, and marketing activities. This is an effective testing system that requires effective management of marketing intelligence. As it was mentioned earlier, marketing intelligence needs to be embraced by bakeries in order to make

informed decisions that positively impact SME performance particularly in terms of sales and output levels.

Evaluating the performance of innovations made is an integral part of the innovation process (Dziallas & Blind, 2019). This study confirms that bakeries that frequently evaluate the performance of any improvement made to their products enhance their innovation process (see Table 5-6). Evaluation takes place once the improved bakery products have been delivered in markets. In this regard, key information from the market including customer feedback is received in order to understand and analyse the performance of the improved bakery products. However, accessing feedback and useful information more frequently from the market depends on the effective marketing intelligence in bakeries. Additionally, the received information is not always specific. In most cases it is complex and may seem difficult to link it with the performance of the improved bakery products. In this regard, performance measures should be clear, and evaluation indicators should be well defined. Apart from the contribution of enhanced innovation process on bakery performance, this study discusses the contribution of customer-focused innovation as well.

6.2.2 Customer-Focused Innovation and Bakery Performance

Successful innovation should seek to satisfy customer needs (Bon & Mustafa, 2014). The study tells that the relationship between customer-focused innovation and output level in SME bakeries is moderated by the workforce's professional behaviour, acquired competency through training, and the rewarding systems in bakeries (findings on Hypothesis 1c). Additionally, the study confirms that there is a positive linear relationship between customer-focused innovation and output level in bakeries with advanced human resource competency (see Table 5-14). Conversely, there is no any linear relationship between customer-focused innovation and output level in bakeries with low human resource competency (see Table 5-15). This informs that both the professional employee training and reward systems are important initiatives in influencing SMEs to increase their production level by instituting customer-focused innovation strategies. Efforts to design and implement innovation strategies that make consideration of customer requirements are employed by members who are motivated by the favourable working conditions and have the capabilities to carry out the relevant tasks accordingly thus eventually increasing output.

It is realised that there is a connection between customer-focused initiatives and innovation (Bon & Mustafa, 2014). The study tells that the relationship between customer-focused innovation and sales level in SME bakeries is moderated by the size of the bakery (findings on Hypothesis 1d). The findings highlight that that there is a positive linear relationship between customer-focused innovation and sales level in bakeries with a basic size (see Table 5-18). On

the contrary, the negative linear relationship exists between customer-focused innovation and sales level in bakeries with an advanced size (see Table 5-17). In this regard, the study concludes that the customer-focused innovations that are improved and executed in SMEs with a small number of employees are likely to increase their sales performance. This may be interpreted by considering the fact that a small team is likely to have higher commitment than a largeone particularly in interacting with existing and potential customers and seeking to understand their needs and preferences in order to achieve sales growth targets and become large entities.

Entrepreneurial strategies in SMEs include customer-focused innovation strategies. These are strategies that make consideration of customer demands and their characteristics. This study suggests that one of the components of customer-focused innovation strategies is the integration of customers' preferences and interests in improvements made to bakery products, or processes, or operating environment (see Table 5-6). This is because; customer demands vary and may be associated with product performance or characteristics, or the delivery or production processes, or influenced by the nature and characteristics of the bakery's operating environment. In this regard, bakeries can attain competitiveness if they internalise and make use of their customers' preferences and interests in order to develop customer-focused innovation strategies that stimulate performance in terms of both sales and output levels. Customer loyalty for example, is driven by satisfied customers (Chiguvi & Guruwo, 2017) who feel that their preferences and interests have been honoured by respective bakeries. However, it is a great challenge for SMEs particularly the SME bakeries to integrate the preferences and interests of customers associated with product, processes, and operating environment. One of the best techniques to address this challenge is customisation. This is again possible to SMEs that have capabilities to conduct frequent market research and capitalise heavily on customer relationship management. These capabilities influence performance. In this regard, incurring huge costs associated with developing such capabilities becomes a strategic investment.

Customer-focused innovations are the ones that can easily be considered and understood by customers when making decisions. This study confirms that customer-focused innovation strategies entail that any improvement made to bakery products, or processes, or operating environment should be easily considered and understood by customers (see Table 5-6). In this regard, innovation can be translated in well designed products, friendly processes, and operating environment that embrace customer preferences, interests, and characteristics. However, such innovations bring success if bakeries are able to design and implement effective customer relationship management, have capabilities to acquire useful information from both internal and external environment, and are able to regularly receive feedback from their customers.

Enhanced interaction between customers and employees enables bakeries to get useful information that can be used to design and effectively execute customer-focused innovations and ultimately increase bakery sales and output levels. Bakeries need to enable customers understand what they have improved in their products, processes, or operating environment. Such awareness can be done by employees, or through the use of promotion strategies. Once customers are able to notice and understand improvement made, they are likely to be 'good ambassadors' to potential customers and indirectly reduce bakery's operation costs such as marketing costs aimed at recruiting and retaining customers. Generally, innovation drives customer retention (Kyei & Bayoh, 2017).

The study confirms that sales and output performance of SME bakeries are influenced by customer-focused innovations that benefit customers. One of the components of customer focused-innovations is the benefits enjoyed by customers after consuming or interacting with improved bakery products, or processes, or operating environment (see Table 5-6). The goal of any innovation strategies is to increase the firm's competitiveness and create value to customers. In order to create value, innovations should consider the needs of customers. In this regard, the contribution of innovation in influencing customer satisfaction will be realised (Naveed, Akhtar, & Cheema, 2012). Customers need to benefit by getting quality and convenient healthy bakery products at affordable prices. Once their interests are integrated in the improvement of product, process, or operating environment, and benefit customers, bakeries will be able to retain them, attract other potential customers, and command loyalty. In order to integrate their opinions and interests in the improvement of product, or process, or operating environment, bakeries need to enhance their relationship with customers. Through these relationships, customers will be willing to provide enough information that will ultimately result to mutual benefits. However, there is a great challenge in integrating customer interests regarding improvement made to bakery products, or processes, or operating environment. This is because; as mentioned earlier, their interests differ. However, through marketing intelligence, bakeries will be able to collect useful information based on their characteristics, and group their interests and make improvements that benefit them. Additionally, whenever possible, while taking into consideration cost factor, bakeries may dwell on customisation.

The strengths of customer-focused innovation strategies are reflected in the ability of the customers to easily observe and explain about the improvement made to bakery products, or processes, or operating environment (see Table 5-6). Improvements that can easily be observed and explained tell that they considered market and consumer characteristics when they were being initiated or made. In competitive business environment especially that involves small and medium sized bakeries, purchase decisions are informed decisions. Customers strive to acquire information about the products, processes, and operating environment before making any

purchase decision. This is manly done when they intend to reduce perceived risk (Ogbeide, 2015). For example, they are aware of nutritional bakery products, procedures that enhance convenience, and whether bakery products are produced in safe environment. If any improvement made to bakery products, or processes, or operating environment can easily be observed and explained by customers, there is enough evidence telling that innovations have been realised by customers. The intention of customer-focused innovations is to integrate their interests when making any improvement in products, processes, and operating environment. In this regard, one way of evaluating the performance of customer-focused innovations is to see whether the innovations are easily observed and can be easily explained by the customers. It should however be noticed that customers who can clearly observe and explain innovations made by bakeries can easily be retained and become loyal customers. As it has been mentioned earlier, they can indirectly promote particular bakery products and ultimately increase performance especially increased sales and output levels.

As it has been noted earlier, customer-focused innovations contribute significantly to SME performance. Bakeries are likely to attain competitiveness if they improve products, or processes, or operating environment based on suggestions provided by customers. Through this strategy, innovations in bakeries are intertwined with both customer feedback and their suggestions in improving products, procedures, and operating environment (see Table 5-6). Requesting customers to suggest improvements translates into effective customer relationship management in bakeries. In this regard, customers are appreciated and honoured. They consider themselves as the main and important stakeholders in bakeries. This is a strategy that defines useful customer-focused innovations thus influencing bakery sales and output level. Customer feedback influences firms to re-orient their products (Dah & Dumenya, 2016). Effective customer relationship management allows bakeries to frequently receive feedback and customer opinions and glues long lasting strategic bonds between bakeries and their customers. However, the sustainability of this strategy depends on the readiness and commitment of bakeries to utilise feedback and suggestions provided by customers in improving products, processes, and operating environment. Additionally, a desired goal will be met if bakeries provide feedback either directly or indirectly or both back to customers informing how their suggestions have been considered in innovations made by bakeries. This initiative increases their willingness to participate in providing useful suggestions whenever requested by bakeries to do so. Apart from the contribution of customer-focused innovation on bakery performance, this study discusses the contribution of enhanced innovation environment as well.

6.2.3 Enhanced Innovation Environment and Bakery Performance

The study tells that the relationship between enhanced innovation environment and output level in SME bakeries is moderated by the workforce's professional behaviour, acquired competency

through training, and the rewarding systems in bakeries (findings on Hypothesis 1e). Furthermore, the study confirms that there is a positive linear relationship between enhanced innovation environment and output level in bakeries with advanced human resource competency (see Table 5-20). On the other hand, there is no any linear relationship between enhanced innovation environment and output level in bakeries with low human resource competency (see Table 5-21). Employee performance is mainly contributed to by both training and motivation (Khan, 2012). This tells that the commitment of SME owners/managers to provide professional employee training and develop favourable employee reward systems influence employees to effectively utilise the enhanced innovation environment to amplify their production level. This commitment should be blended with the willingness of SME owners/managers to create a favourable innovation environment that will eventually enable SMEs to attain production efficiency.

The innovation climate relates with firm performance (Crespell & Hansen, 2008). The study tells that the relationship between enhanced innovation environment and sales level in SME bakeries is moderated by the size of the bakery (findings on Hypothesis 1f). The findings highlight that there is a positive linear relationship between enhanced innovation environment and sales level in bakeries with an advanced size (see Table 5-23). In contrast, the negative linear relationship exists between enhanced innovation environment and sales level in bakeries with a basic size (see Table 5-24). In this regard, it can be concluded that enhanced innovation environment that is established in SMEs with a substantial number of employees is likely to increase their sales performance. This may be contributed to by the fact that they are likely to acquire knowledge and experience from their many employees than in SMEs whose number of employees is small. Ultimately, the acquisition of innovation knowledge and experience from their vast number of employees can effectively improve their innovation environment and eventually influence an increased sales performance.

SME performance particularly sales and output levels are influenced by the enhanced environment innovation strategies. One of the facets of these strategies is to ensure that the bakery operating environment facilitates innovation (see Table 5-6). The environment in which bakeries operate comprises of production systems and processes, policies, employees, product delivery mechanisms and logistics, as well as sales management practices. Through such operating environment, bakeries interact with customers and suppliers. In totality, all these components of operating environment need to embrace innovation in order to influence bakery competitiveness. The firm leadership has the responsibility of creating favourable innovation climate by providing the necessary resources that enable employees to innovate (Fischer & Montalbano, 2014). Bakeries need to institute an entrepreneurial spirit among employees in

order to encourage innovation initiatives in all aspects of operations. Nevertheless, in order to have an environment that effectively facilitates innovation in bakeries; great support from owners/managers is needed. This is because; in SMEs, owners/managers are mostly the key decision makers in almost every aspect of operations unlike in large firms where effective governance mechanisms and decision making process involve a great number of employees or departments.

The study findings indicate that enhanced innovation environment is characterised by appealing and personally challenging tasks (see Table 5-6). These tasks influence entrepreneurial spirit among employees and eventually the bakery's competitive advantage. Challenging and appealing tasks are reflected in the interests of employees as well as their competencies. In SMEs particularly those from developing countries such as Tanzania, tasks are mainly defined by owners/managers. These practices discourage an entrepreneurial spirit among employees, and deter innovation initiatives from employees. It should also be noted that defining tasks for employees needs to consider their knowledge and skills. Additionally, challenging tasks need to be somewhat above employee competencies in order to foster innovation. On the contrary, most of the SME owners/managers in developing countries face the challenge in defining tasks that will eventually foster innovation and entrepreneurial spirit among employees. One of the crucial techniques that address these challenges is encouraging teamwork, and independence among employees. Teamwork enables innovation to be driven by diverse knowledge and skills from different individuals (Fay, Shipton, West, & Patterson, 2014). This is because; when task definition and goals are provided by employees under close supervision of owners/managers, a sense of trust in employer-employee relationship influenced by employees' full participation in decision making process, guarantees appealing and personally challenging tasks and eventually creates an enhanced innovation environment.

In order to have an enhanced innovation environment and improve products, processes, and operating environment, SMEs need to assign tasks to employees who are motivated to carry them out (see Table 5-6). It has been a challenge for both large entities and SMEs to foster motivation among their employees. As it has already been noticed, motivation is driven by a bunch of factors including employee characteristics, employer actions and commitment, characteristics of an operating environment, rewards systems, and decision making process to mention a few. However, a transparent and an inclusive decision making process is likely to foster motivation of employees in executing tasks related to improving products, processes, and operating environment. In this regard, bakeries can capitalise on understanding employee interests before assigning them such tasks. Their competency should also be considered when assigning tasks. Owners/managers need to understand the interests of their employees and motivate them accordingly (Ganta, 2014). Nevertheless, all these initiatives are supported by an

enhanced and healthy relationship between SME owners/managers and their employees. Human resource management skills should be acquired by owners/managers in order to design and assign tasks that are not only relevant, but can be carried out by motivated employees.

Enhanced innovation environment is also translated by the readiness of SME owners/managers to support ideas and other improvement initiatives from their employees (see Table 5-6). The willingness to support innovative activities from employees helps bakeries to develop trust and strong relationship with their employees. The support shown by bakeries will eventually motivate employees to engage more in generating innovative ideas that benefit their organisations. In this regard, bakeries are likely to receive and work on more innovative ideas and initiatives that lead to improvement of bakery products, processes, and operating environment. There will also be greater chance for employees to increase their commitment towards attaining bakery objectives and goals since there will be a desire to participate fully in the improvement process in order to see the final outcome. This is why enhanced innovation environment positively impacts SME performance particularly in terms of sales and output levels. The reason behind is that, inasmuch as bakeries support employees' initiatives in suggesting innovative ideas, the likelihood of SME growth and sustainability increases. However, growth and sustainability cannot be achieved unless there is a continued commitment, and consistency in honouring and supporting innovative initiatives from employees. These commitments can also be translated by the readiness to reward the flow of ideas (Lages & Piercy, 2012). Therefore, bakeries have a responsibility of critically analysing their employees' innovative initiatives and of supporting promising ideas by encouraging full participation of their employees in the improvement process.

The study findings suggest that bakeries need to enhance their innovation environment by stimulating their employees' readiness to bear the result's consequences, and reveal a sense of perseverance, and tolerance whenever engaged in improving bakery products, or processes, or operating environment (see Table 5-6). In order to stimulate such willingness, employees have to participate fully in the decision making and improvement processes. Together with owners/managers, employees should also be given responsibilities to manage the improvement tasks and be engaged in evaluating outcomes. All these can be guaranteed by the owners/managers who play a vital role in encouraging and motivating their employees to 'own' the improvement process in SMEs. In order to effectively stimulate employees' willingness to bear the result's consequences, and reveal a sense of perseverance, and tolerance, owners/managers need to develop mechanisms in terms of both policy and practice that reward their employees' commitment in improving bakery products, or processes, or operating environment whenever the results and outcomes are favourable. Such policies should be able to drive innovation (Nam, Tuan, & Van Minh, 2017). Willingness to bear the result's

consequences, and reveal a sense of perseverance, and tolerance are some of the major qualities of an entrepreneur. In this regard, bakeries have a responsibility of designing and instituting techniques that stimulate an entrepreneurial spirit among their employees. Apart from the contribution of innovation strategies on bakery performance, this study discusses the contribution of other entrepreneurial strategies (risk-taking) as well.

6.3 Risk-taking Strategies and Bakery Performance

Both the variables characterising risk-taking strategies and their contribution on bakery performance are discussed.

6.3.1 Risk Planning and Bakery Performance

The study confirms that the relationship between risk planning and cost level in SME bakeries is moderated by the age of the bakery (findings on Hypothesis 2a). The study further confirms that there is a negative linear relationship between risk planning and cost level in bakeries with a basic age (see Table 5-32). The negative relationship tells that effective risk planning contributes significantly to the reduction of production and operation costs. On the other hand, there is a positive linear relationship between risk planning and cost level in bakeries with an advanced age (see Table 5-31). The positive relationship informs that effective risk planning leads to increased production and operation costs. This may be contributed to by the fact that firms with advanced age are bureaucratic, and inflexible (Pervan, Pervan, & Ćurak, 2017). The case is different in firms with basic age. However, the contribution of risk planning to cost reduction in SMEs with basic age may inform that other tenets of risk capabilities such as the availability of enterprise risk management coupled with risk planning knowledge and skills are more crucial in developing effective risk planning techniques than the mere number of years an SME has been in operation.

The study confirms that the relationship between risk planning and output level in SME bakeries is moderated by the gender of the owner/manager of the bakery (findings on Hypothesis 2b). The study further confirms that there is a positive linear relationship between risk planning and output level in bakeries with female owners/managers (see Table 5-35). On the other hand, there is no any linear relationship between risk planning and output level in bakeries with male owners/managers (see Table 5-34). In this regard, this study confirms the role of women in risk management particularly their commitment in the risk planning process. Nevertheless, SMEs that involve females in their top management teams are likely to achieve positive performance (Wu, Yao, & Muhammad, 2017).

Like most of the food enterprises, bakery operations may be affected by hazards. The potential hazards may include biological, environmental, physical, chemical, and psychological hazards.

They are likely to come simultaneously or one or more at a time. This study confirms that the ability of bakeries to foresee potential hazards enhances their risk planning strategies (see Table 5-29). This ability is translated into the possession of relevant knowledge and technical know-how. In that regard, SMEs need such capabilities in order to predict the likely time and circumstances in which potential hazards are likely to occur. These capabilities will also enable them to understand the types of potential hazards, and whether they are man made or natural hazards. However, the capabilities of SMEs to foresee potential hazards depend on the willingness of their owners/managers to adopt Enterprise Risk Management in order to design and apply methods and processes that can effectively manage hazards. In this regard, SMEs will be in a position of collecting information related to potential hazards, and integrating them in business operations in order to predict their occurrence. These are important tasks that should be carried out by owners/managers and employees who undergo frequent risk management trainings. Employee training is crucial in managing potential risks (Mohammed, 2014). In this case, such trainings need to be given to all staff due to the fact that each bakery section faces specific risks and its operations are affected when hazards affect the entire bakery or some bakery sections.

As it has been discussed earlier, hazards affect business operations and eventually performance. The study findings have highlighted that the integration of potential hazards in daily business operations defines effective planning strategies in bakeries (see Table 5-29). The integration firstly depends on the bakery's capability to foresee potential hazards, and their respective causative agents from both internal and external business environment. Secondly, the integration depends on bakery capabilities to identify potential hazards that may be caused by or may affect specific business operations. The integration of potential hazards with business operations seeks to develop mechanisms that are able to manage specific risks in order to influence business performance. The integration and the development of these mechanisms require relevant risk and business information. They also require the competency of bakery workforce in risk planning. In this regard, ERM may be adopted. ERM is a source of SME's competitive advantage (Yang, Ishtiaq, & Anwar, 2018). Firms that adopt ERM, strive to collect, store, and analyse business and risk information in order to simplify their employees' tasks in establishing the relationship between the type, causes, and effects of potential hazards, and the characteristics of business operations, products, processes, strategies, and operating environment. However, the adoption of ERM requires readiness of bakery owners/managers and employees to learn develop and use ERM in enhancing risk planning initiatives.

Developing contracts with suppliers or business partners such as agents, shareholders, and alliance partners requires an in-depth analysis on the expected benefits, challenges, and risks, and capabilities of the suppliers or business partners and their ethical conducts. This study

confirms that such analysis carried out by SMEs defines their risk planning strategies (see Table 5-29). However, such analysis requires the competencies of owners/managers and their employees in assessing the viability of the contracts. Most of the SMEs in developing economies lack skilled people who can analyse the opportunities and risks associated with entering and managing business relationships particularly the contractual arrangements. In this regard, training their workforce in foretelling the opportunities and risks evolving from the prospective contracts, and investigating, and analysing the characteristics, capabilities, and ethical conducts of suppliers, or business partners, is of paramount importance in enhancing successful business contracts. Given this scenario, in-depth analyses depend on the availability of relevant information. Both the training and the acquisition of relevant information require the commitment and financial resources from bakeries. In this regard, bakeries need to incur due diligence costs in order to prevent future loss. Due diligence can focus on capabilities of the other party in managing timely delivery, and quality, and in resolving problems (Mullins, Thornton, & Adams, 2007).

Understanding the characteristics of the business environment particularly the external environment, and the trends within it enables firms to develop mechanisms that track changes and the behaviour of the markets. In this regard, frequent evaluation of their business environment needs to be prioritized (Sitharam & Hoque, 2016). This study confirms that effective risk planning initiatives are characterised by the commitment of bakeries to find whether there are any changes in their business environment related to pricing, technology, products, policies, and legal requirements (see Table 5-29). For example, bakeries may need to have updated information on the changes in the markets related to the newly introduced baking technology and techniques in the market, unstable prices of raw materials, and new health and safety rules and requirements. Monitoring such changes enables SMEs to foresee potential risks and their respective controlling mechanisms. However, tracking changes in the business environment requires the capabilities of firms in accessing, and analysing business information. In this case, SMEs need capabilities and commitment in developing enhanced business intelligence. Such practices depend on the competency and willingness of the workforce to utilise business information particularly the changes in the markets, in planning for risk management practices. Such capabilities are influenced by frequent trainings, and effective learning environment at workplaces.

There are a lot of unexpected changes that impact business performance. The unexpected changes may occur in both internal and external environments. In order to attain competitiveness, these changes need to be accommodated and addressed accordingly. However, the solutions depend on effective risk planning strategies. These strategies are sustained by the capabilities of bakeries to develop and use a backup plan whenever unexpected changes in their

business and operating environment happen (see Table 5-29). The development of a backup plan depends on the access and use of accurate business information. It also depends on the commitment of bakery owners/managers to create learning environment that allows owners/managers and employees to discuss and integrate their suggestions in the plan. Nevertheless, the competency of the employees in foretelling and analysing risks influences the effective development of a backup plan. Such competency is contributed to by the commitment of owners/managers to frequently train their employees, and create a working environment that fosters intense practices in risk planning. Nevertheless, the development of such a working environment should involve the efforts, and ideas of all employees irrespective of their positions and responsibilities. This is because; the involvement of the workforce in decision-making process and readiness of management to honour their ideas foster their motivation (Irawanto, 2015). Apart from the contribution of risk planning on bakery performance, this study discusses the contribution of risk controlling as well.

6.3.2 Risk Controlling and Bakery Performance

Effective risk control mechanisms have an impact on organisational performance (Bayyoud & Sayyad, 2015). The study confirms that the relationship between risk controlling and cost level in SME bakeries is moderated by the age of the bakery (findings on Hypothesis 2c). The study further confirms that there is a negative linear relationship between risk controlling and cost level in bakeries with an advanced age (see Table 5-37). The negative relationship tells that effective risk control mechanisms contribute significantly to the reduction of production and operation costs. On the other hand, there is a positive linear relationship between risk controlling and cost level in bakeries with a basic age (see Table 5-38). The positive relationship informs that effective risk control mechanisms lead to increased production and operation costs. Nevertheless, the contribution of risk controlling to cost reduction in SMEs with an advanced age may inform that an experience gained from the risk management operations that have been taking place in SMEs for years particularly ten years and beyond contributes significantly to the development of SME capabilities in risk controlling thus eventually reducing production and operation costs considerably.

The study confirms that the relationship between risk controlling and output level in SME bakeries is moderated by the gender of the owner/manager of the bakery (findings on Hypothesis 2d). The study further confirms that there is a positive linear relationship between risk controlling and output level in bakeries with female owners/managers (see Table 5-41). On the other hand, there is no any linear relationship between risk controlling and output level in bakeries with male owners/managers (see Table 5-40). In this regard, this study confirms the role of women in risk management particularly their commitment in controlling risks.

The findings have confirmed that risk controlling mechanisms are characterised by the commitment of bakeries in replacing their appliances and other equipment with new ones as per technical advice (see Table 5-29). These equipments play a vital role in improving the quality of the products. Poor maintenance practices lead to production loss (Bolaji & Adejuyigbe, 2012). Additionally, the use of appropriate appliances defines the bakery's commitment in complying with legal requirements particularly on health, and safety standards. In this regard, risks that are associated with production and storage of bakery products, compliance, and reputation are easily controlled. SMEs need to be aware of the possible dangers that are associated with untimely replacement of appliances. Such awareness is mainly raised by the respective regulatory agencies, firms involved in handling machinery problems, manufacturers and dealers of the respective appliances, or the experienced production team members within the bakeries. It is the main responsibility of bakeries to seek this information, and establish business relationships with the trustworthy experts who will regularly provide technical advice on how to manage appliances in bakeries. The frequent trainings provided to production employees on how to monitor the performance of machinery in bakeries are likely to reduce maintenance costs and consultation fee from technical consultants. Bakery owners/managers have the role of enabling their employees to record, analyse, and report any strange performance of machinery on daily basis so that they can make informed replacement decisions of appliances and other equipments.

As discussed earlier, SMEs enter into business contracts with suppliers, agents, or business partners. It is very risky to enter into contractual agreements with incompetent, unethical, and uncommitted partners. Nevertheless, SMEs particularly in developing economies may not get enough information and financial resources to facilitate a comprehensive due diligence process. However, the risks can be controlled by regularly evaluating the performance of contracts. The performance evaluation enables SMEs to identify and correct weaknesses and improve the best practices. This study confirms that the frequent evaluation of the contracts between bakeries and their suppliers, agents or business partners characterises the risk controlling initiatives in bakeries (see Table 5-29). However, bakeries need capabilities to translate the performance indicators of their contracts, and integrate them in business operations, goals, and objectives. They also need capabilities to regularly assess whether the contracts are executed accordingly and be able to state whether the mutual benefits, and agreed objectives are attained. Bakeries have the responsibility of enabling their people to investigate the conduct of their partners in order to make informed decisions on proceeding with or terminating the contracts. These capabilities are empowered through frequent trainings and experience sharing among employees and their owners/managers.

The business performance may be contributed to by the respective product development processes (Udegbe, 2014). In this regard, this process needs to be assessed and any weaknesses found need to be corrected in order to reduce production costs, improve product quality, increase production output, and ultimately influence sales. This study confirms that risk controlling strategies in bakeries are enhanced by the commitment of bakery owners/managers in frequently testing the performance of their product development processes (see Table 5-29). However, carrying out such tests is a complex assignment that cannot easily be done by most of the SMEs in developing economies. Both the capabilities in enhancing marketing intelligence in SMEs and the use of experienced and skilled human resource are the basic requirements to successfully test the performance of the product development processes. Each stage of the development process needs to be analysed in order to ascertain its contribution to the success or failure of the process. All risks evolving in each stage are observed, and analysed in order to develop their respective mitigation techniques. However, the human resource challenges can be addressed by offering custom-made trainings to employees. Another viable solution can be realised if bakery owners/managers strive to create motivating working environment that influences employees to share their experiences and be interested to execute challenging tasks including the development of risk mitigation systems and practices.

The study has also revealed that effective risk control mechanisms are sustained by the commitment of bakery owners/managers and their employees to frequently test the performance of the operating procedures in bakeries (see Table 5-29). This is because; poor procedures may cause a lot of operational risks. Other causative agents include incapability in detecting respective threats, and failures of relevant systems (Hemrit & Ben Arab, 2012). However, in the case of bakeries, the failure in procedures is likely to be influenced by non implementable or weak or absence of relevant policies. In order to effectively test the performance of the operating procedures, SMEs need to define the link between their business operations, objectives, and performance indicators. They also need to identify potential challenges that would barricade the implementation of operating procedures, and eventually design the respective solutions. Testing the performance of the operating procedures is a complex task as it requires competent employees who have the relevant knowledge and experience in bakery operations. This knowledge and experience can be acquired through frequent trainings and extensive practices. This study argues that SMEs need to employ their efforts and resources in carefully assessing the feasibility of their operating procedures before executing the respective operations in order to prevent both potential and unexpected risks.

The relationship between product performance and customer satisfaction is apparent (Sitanggang, Sinulingga, & Fachruddin, 2019). Nevertheless, the poor product performance can be attributed by the failure to understand and meet customer needs, interests, and preferences.

Risks that would evolve from failure to satisfy customers can be mitigated if the firm seeks to acquire and apply the information from customers in improving products, processes, and operating environment. The findings have confirmed that bakeries are likely to enhance their risk controlling strategies if they frequently request for feedback from customers with regard to their product performance in terms of product attributes such as price, packaging, ingredients, and taste (see Table 5-29). In this regard, bakeries are likely to get an opportunity to revise their respective business strategies and adjust their business plans accordingly. These plans need to be executed by competent employees who have the capabilities to gather and apply marketing intelligence in strategy formulation and implementation. For this reason, this study argues that the risk mitigation process in SMEs should start with developing SME capabilities in designing and implementing mechanisms that facilitate the collection, storage, and application of marketing intelligence in business operations. Nevertheless, these capabilities can be developed by encouraging SMEs to influence enhanced knowledge management practices in their working environment. Apart from the contribution of risk controlling on bakery performance, this study discusses the contribution of strategic risk initiatives as well.

6.3.3 Strategic Risk Initiatives and Bakery Performance

The study confirms that the relationship between strategic risk initiatives and cost level in SME bakeries is moderated by the age of the bakery (findings on Hypothesis 2e). The study further confirms that there is a negative linear relationship between strategic risk initiatives and cost level in bakeries with a basic age (see Table 5-44). The negative relationship tells that strategic risk initiatives contribute significantly to the reduction of production and operation costs. On the other hand, there is a positive linear relationship between strategic risk initiatives and cost level in bakeries with an advanced age (see Table 5-43). The positive relationship informs that strategic risk initiatives lead to increased production and operation costs. However, the contribution of strategic risk initiatives to cost reduction in SMEs with basic age may inform that the strategic risk management knowledge and skills and the commitment of SMEs to acquire them are more essential in the development and implementation of strategic risk initiatives than the mere number of years an SME has been in operation. Ultimately, such commitment will have a greater contribution to the cost reduction in SMEs.

The study confirms that the relationship between strategic risk initiatives and output level in SME bakeries is moderated by the gender of the owner/manager of the bakery (findings on Hypothesis 2f). The study further confirms that there is a positive linear relationship between strategic risk initiatives and output level in bakeries with female owners/managers (see Table 5-47). On the other hand, there is no any linear relationship between strategic risk initiatives and output level in bakeries with male owners/managers (see Table 5-46). In this regard, this study

confirms the role of women in risk management particularly their commitment in developing and implementing strategic risk initiatives.

A firm may carry out a competitor diagnosis in order to develop and employ strategies that can increase its competitiveness. Nevertheless, firms that engage in competitor analysis are in a good position of achieving positive performance (Adom, Nyarko, & Som, 2016). The findings have confirmed that bakeries can make strategic initiatives if they frequently analyse the strengths and weaknesses of their major competitors (see Table 5-29). SMEs are likely to compete effectively if they devise and review their business strategies after identifying the capabilities and limitations of their rivals. The objective of this analysis should be to inform about the sources of the rivals' strengths and weaknesses and find their impact on the performance of the competitor performance. However, both financial and human resources need to be employed in carrying out an effective competitor diagnosis. Information on their characteristics, strategies, products, processes, and operating environment should be frequently collected by well trained and experienced marketers. In this regard, bakeries need to fund the trainings of their owners/managers and employees, and improve their knowledge management practices in order to develop effective mechanisms that enable bakeries to collect, store, and use critical information, particularly from the external environment. These trainings should also empower the workforce to consider ethical matters when searching information about their rivals. Nevertheless, the use of both social and business networks is likely to influence the effortless acquisition of information regarding the strengths and weaknesses of the rivals and ultimately mitigate potential risks in business.

In order to attain competitiveness, firms need to manage their human resource. Business operations such as production, finance, logistics, marketing, and general management are executed by employees. In this regard, their working environment needs to be enhanced in order to control relevant potential risks. The favourable working environment is a driver of positive employee performance (Nderi & Kirai, 2017). In order to have successful improvements of the working environment, informed decisions have to be made by reflecting employees' views. The findings confirm that SME bakeries execute their strategic initiatives by frequently requesting for feedback from employees about their satisfaction level against their working environment (see Table 5-29). However, in order to collect accurate information, willingness of an employee to provide feedback is of paramount importance. Such willingness is mainly driven by the commitment of owners/managers to timely address their concerns timely and accordingly. Such commitment is likely to result to enhanced working relationships between bakery owners/managers and their employees. These are the working relationships that are sustained by trust, teamwork spirit, transparency, and fairness. Ultimately, such relationships will enable the bakery owners/managers to get employee support in developing and implementing solutions for

matters raised by the employees. The participation of employees in the decision making process of matters concerning their welfare, may increase their motivation at workplace significantly.

The customer satisfaction is mainly contributed to by the commitment of firms in meeting customer demands and offering quality service (Masrurul, 2019). These may be the demands on addition of product features or improvement of the existing ones, pricing, and delivery mechanisms. In order to successfully meet these demands, firms are likely to incur costs. To a great extent, these costs are usually embedded in product prices. Nevertheless, in markets that host a great share of price sensitive customers, it is risky to frequently embed these costs in product prices. This study confirms that one of the major components of strategic initiatives in risk management is the readiness of bakeries to incur any additional cost to meet the demands of their customers (see Table 5-29). However, a comprehensive analysis should be carried out to find whether the additional costs in meeting customers' demands do not conflict the strategic objectives, and the financial stability of the bakeries. Such analysis should also enable bakeries to make decisions that will bring positive outcome, increase reputation, broaden both their business networks, and increase their customer base. In order to carry out such in-depth analyses, deliberate actions that seek to enhance SME capabilities in making strategic decisions need to take place. These actions may be the commitment to sponsor frequent and relevant entrepreneurial and risk management trainings to their employees. These trainings should be complemented by enhanced knowledge management practices in bakeries.

There are a lot of legal requirements in bakery businesses. These include registration, licensing, tax issues, food safety standards, and abiding to the relevant laws and regulations of a specific area, or country. Failure to abide by these laws may lead to business closure, huge penalty, and damaged reputation. The findings confirm that the readiness of bakeries to incur any additional cost to comply with the legal requirements characterises the strategic initiatives in managing risks (see Table 5-29). This study argues that failure to comply with legal requirements can inform bakery stakeholders such as customers, suppliers, agents, business partners, and lenders to define a bakery as an unethical entity provided that the unethical practices have come to their attention. Their perceived definition will have a negative impact to the performance of the business. This is due to the fact that stakeholders are likely to spread information about the bakery conduct to other potential stakeholders and ultimately restrain them from purchasing the products or doing business with the respective bakery. Although regulation has a bunch of benefits such as driving of opportunities, and enhanced innovations (Kitching, Hart, & Wilson, 2015), legal and regulatory requirements are numerous and change frequently. It is the duty of the bakery owners/managers to make close follow-ups on the changing laws, regulations, and policies at both local and national levels in order to timely comply and eventually maintain their reputation.

Generally, investments encompass risks that are either small or big (Virlics, 2013). This study confirms that the strategic initiative that can be adopted by bakeries in managing risks is the decision to invest in any risky business that will yield significant returns (see Table 5-29). However, such risks need to be calculated through a comprehensive risk analysis process. Their contribution on return should also be foretold. Most SMEs particularly SME bakeries do not have the capabilities to carry out such risk analyses. These analyses are performed by high skilled individuals with extensive knowledge and experience in risk planning, analysis, and mitigation. Additionally, these analyses should be carried by individuals who are capable of establishing the relationship between the level of risk and business performance. Most bakeries do not take consideration of the scientific approaches in determining the level of risks in particular investment. Their decisions are based on mere guesses and experience from the practices of other SMEs. Most of them do not prefer using external consultants particularly in risk management matters since they do not find their direct contributions on business success. Their decisions are based on their informal analyses about the possible dangers that would emerge if they invest in a particular high return business. This study argues that market research and scientific risk management processes should be embraced by SMEs if they want to compete effectively. For example, opening more bakery outlets in highly populated areas may seem to be a high return business. However, not all populated areas are greatly interested in bakery products. However, once a scientific analysis is carried out to find the possibility of an increased customer base through extensive penetration strategies, the high return is likely to be achieved.

One of the major sources of fund in SMEs is loan. The acquisition and use of big loans is a strategic initiative that would enable SMEs particularly bakeries to compete effectively and manage potential risks that are associated with inadequate capital. Loans play a vital role in propelling business expansion, growth, and sustainability. On the contrary, such growth may not be realised through small loans. This study has revealed that most bakeries do not apply and acquire big loans. Nevertheless, the application and acquisition of big loans do not characterise their strategic initiatives in risk management (see Table 4-3). Most of them do not make arrangements of accessing large finance from other funding options. Most of them are not aware of the available funding options, and they lack necessary business skills to manage other potential financing strategies. There are several reasons that influence their decisions to rely on small loans rather than big loans. Most of them lack relevant collaterals (Pasape, 2018) particularly immovable properties such as surveyed lands and houses. Most of the owners who own such collaterals are not willing to use them as collaterals in acquiring big loans. They also lack fundable business plans that would influence financial institutions to disburse big loans. This study argues that bakery growth and sustainability is influenced by huge investments. Such investments require capital especially big loans. Mechanisms to acquire big loans and the

availability of the respective execution plans should be regarded as strategic initiatives in a competitive business sector such as the food industry. However, capabilities in financial management should be in place in order to influence effective use of loans that will eventually propel SME performance, growth, and sustainability. Apart from the contribution of risk-taking strategies on bakery performance, this study discusses the contribution of other entrepreneurial strategies (marketing) as well.

6.4 Marketing Strategies and Bakery Performance

Both the variables characterising marketing strategies and their contribution on bakery performance are discussed.

6.4.1 Product Strategies and Bakery Performance

The marketing strategy influences product performance (Obasan, Ariyo, & Hassan, 2015). The study tells that the relationship between product strategies and the number of customers in SME bakeries is moderated by the workforce's professional behaviour, acquired competency through training, and the rewarding systems in bakeries (findings on Hypothesis 3a). The study further informs that there is a positive linear relationship between product strategies and the number of customers in bakeries with advanced human resource competency (see Table 5-54). On the contrary, there is no any linear relationship between product strategies and the number of customers in bakeries with low human resource competency (see Table 5-55). In this regard, the study tells that bakeries that develop and implement their product strategies through employees who behave professionally, are well trained, and rewarded accordingly, can increase the number of customers. This suggests that the commitment of SME owners/managers in facilitating professional training, and pleasant compensation schemes influences an increased number of customers.

The relationship between marketing practices and sales performance is apparent (Pourhosseini & Shahrokh, 2013). The study tells that the relationship between product strategies and sales level in SME bakeries is moderated by the business experience of the owner/manager of a bakery (findings on Hypothesis 3b). The study further informs that there is a positive linear relationship between product strategies and sales level in bakeries whose owners/managers have an advanced business experience (see Table 5-57). On the contrary, there is no any linear relationship between product strategies and sales level in bakeries whose owners/managers have a basic business experience (see Table 5-58). Therefore, the study can conclude that product strategies that are developed and implemented in SMEs whose owners/managers have huge business experience are likely to increase their sales level. The vast business experience enables SMEs to understand and utilise skills that are necessary in the acquisition and management of innovation resources needed in product development and execution and influence greater sales.

Packaging is one of the critical elements in marketing (Hess, Singh, Metcalf, & Danes, 2014). One of the major components of product strategies as revealed by study findings is the commitment of bakeries to heavily concentrate on product packaging in order to influence competitive advantages (see Table 5-52). Some customers are influenced by appealing packaging. This is a packaging that concentrates on attractive labelling, guarantees safety, health concerns, perishability, can be easily transported and stored, brings convenience to customers, and preserves both aroma, taste and flavour of bakery products. To a great extent, designing and developing of packaging in Tanzanian bakeries is an outsourced activity. However, the involvement of bakeries in packaging decisions particularly at the design stage should be prioritised in order to package bakery products according to the needs, interests, and preferences of customers. Additionally, information on the demands of customers in terms of packaging has to be collected, analysed, and be applied in the package development process. In this regard, bakery owners/managers can also develop their own capabilities in owning the entire packaging process by designing and producing their own packaging materials in order to attain competitive advantages and become different. In the long run, this strategy will also help them to reduce packaging costs.

Customers have different tastes. In order to satisfy their demands, product improvement needs to be adopted by producers. Product improvement process is fed by marketing intelligence in which market characteristics, consumer behaviour, and level of competition are gathered and analysed. In this regard, understanding the needs, interests, and preferences of consumers influences firms to develop new products, and improve the existing ones. This study reveals that bakery product strategies are to a great extent sustained by the frequent addition of new bakery products in the markets (see Table 5-52). Addition of new products and the improvement of existing products intend to accommodate the needs of consumers such as health concern, price, size, quality, flavour, and taste. Nevertheless, product development needs to consider market information, analysis of suggested prototypes, manufacturing, testing, and evaluation of product performance. In this regard, SMEs have the responsibility of investing a lot of resources in enabling their workforce to manage the product development process and integrate it with business goals, objectives, and the characteristics of the operating environment. The employees involved in product development processes should cooperate with relevant stakeholders in order to understand and incorporate the needs of their customers in the processes (Majava, Nuottila, Haapasalo, & Law, 2014).

The findings reveal that bakeries frequently remove poorly performing products from the market as a way of enhancing their product strategies (see Table 5-52). There are a lot of factors that influence their poor performance. These may include competition, changing tastes and

preferences of customers, or the shift of demand after the bakery has added new products in the market. However, the removal of such products needs to be timely in order to retain customers. The timely removal depends on bakery's capabilities to frequently monitor the performance of its products in the markets. The performance monitoring is a continual process and is facilitated by consistent market and product analysis. The evaluation of the performance of products in the markets is fed by the marketing intelligence of the firm. Conversely, most of the Tanzanian SMEs face a lot of challenges related to lack of technical knowledge, and both financial and human resources in developing and maintaining effective marketing intelligence. They also have limited access to relevant business information (Pasape, 2018) and are faced by challenges in integrating marketing intelligence with business strategy formulation and execution. In this regard, their decision to remove these products is entirely based on sales trend. This study argues that sales trend is not the single indicator that can be used to evaluate the performance of products. Bakeries need to consider a bunch of indicators in their evaluation process.

The organisational reputation has influence on business performance particularly the market share (Taghian, D'Souza, & Polonsky, 2010). The reputation of bakery products depends on their ability to meet demands, interests and preferences of customers. It is also influenced by quality production processes, raw materials and ingredients, as well as advanced customer service. This study tells that product strategies in bakeries are characterised by the bakery commitment to increase product reputation (see Table 5-52). Such reputation defines and influences branding. In this regard, owners/managers strive to increase product quality by effectively managing the production processes, employing competent bakers and other employees who are involved in the production and marketing the products, packaging them accordingly, and producing according to the consumer needs. However, the production and delivery of quality bakery products are influenced by a lot of factors. The favourable working conditions to employees and investment in skilled human resource, relevant technology and machinery, and product delivery mechanisms are a few examples. In this regard, bakeries need to intertwine the quality production of their products and customer service in order to influence product reputation. Bakeries can also set prices, improve their physical environment, and carry out promotion activities that reflect quality and eventually increase branding.

In order to attract more customers and influence sales, SMEs need to employ their efforts in producing products according to the consumer demands. This study confirms that product strategies in bakeries are characterised by their commitment to offer products whose features are customer-driven (see Table 5-52). This confirms that bakeries consider the feedback, suggestions, and the preferences given by their customers in the production, packaging, and delivery processes. Such commitment shows the bakeries' capabilities in managing their relationships with customers. Through customer relationship management, SMEs understand

the needs of the market. They also get an opportunity to understand factors that define product quality. However, customers' interests and demands are diverse and differ significantly. In this case, SMEs face a lot of challenges in designing product features that suit the needs of each customer. One of the major solutions is the adoption of market segmentation. Market segmentation influences customer satisfaction (Premkanth, 2012). Grouping customers according to their level of income, lifestyle, age, gender, purchasing trends, consumption habits, and basing their demands on special products such as sugar free bakery products, enables bakeries to satisfy a large group of customers through introducing relevant features, or ingredients that are customer driven. Apart from the contribution of product strategies on bakery performance, this study discusses the contribution of pricing strategies as well.

6.4.2 Pricing Strategies and Bakery Performance

The effective pricing strategies influence firm performance (Oke, Olarewaju, & Ayooluwade, 2016). The study tells that the relationship between pricing strategies and the number of customers in SME bakeries is moderated by the workforce's professional behaviour, acquired competency through training, and the rewarding systems in bakeries (findings on Hypothesis 3c). The study further informs that there is a positive linear relationship between pricing strategies and the number of customers in bakeries with advanced human resource competency (see Table 5-60). On the contrary, there is no any linear relationship between pricing strategies and the number of customers in bakeries with low human resource competency (see Table 5-61). In this regard, the study tells that bakeries that develop and implement their pricing strategies through the workforce that behaves professionally, is well trained, and rewarded accordingly, can increase the number of customers. This suggests that the commitment of SME owners/managers in facilitating professional training, and pleasant compensation schemes influences an increased number of customers.

Pricing strategies impact SME performance (Adewale, Adesola, & Oyewale, 2013). The study tells that the relationship between pricing strategies and sales level in SME bakeries is moderated by the business experience of the owner/manager of a bakery (findings on Hypothesis 3d). The study further informs that there is a positive linear relationship between pricing strategies and sales level in bakeries whose owners/managers have a basic business experience (see Table 5-64). On the contrary, there is no any linear relationship between pricing strategies and sales level in bakeries whose owners/managers have an advanced business experience (see Table 5-63). Therefore, the study can conclude that the development and execution of pricing strategies in SMEs do not necessarily require enormous business experience of the owners/managers in order to increase sales level. It can be concluded that what owners/managers need to hold is the basic business experience and an understanding of

the relevant customer characteristics in order to set suitable prices that are in the interest of the market and eventually influence greater sales.

Generally, the commitment of firms to address customer needs, and offer products according to their interests, and preferences is likely to derive customer satisfaction. In bakeries, customers may be interested in freshness of bakery products, taste, flavour, aroma, good packaged products, timely delivery, product variety, and customer care. These are likely to be the major factors defining product quality. Additionally, they may also set their own perceived price for each product. All these may depend on their knowledge, experience, and social status. This study tells that one of the major components of the bakery's pricing strategy is the pricing setting technique. This is the integration of product quality and the set prices in order to satisfy customer needs, interests, and preferences (see Table 5-52). There is a significant relationship between quality, price, and both customer value and satisfaction (Razak, Nirwanto, & Triatmanto, 2016). In this regard, bakeries have the responsibility of developing mechanisms that enable them to access information regarding market and customer characteristics, pricing strategies adopted by rivals, industry data on prices, and the consumer behaviour in food sector particularly the bakery industry. Utilisation of such information will enable bakeries to set prices that can be regarded by customers as reasonable and 'acceptable'.

In Tanzania, small and medium sized bakeries serve different customers with different backgrounds, and diverse economic and social status. Most of these customers are price sensitive. Additionally, some of the customers buy large quantities particularly household owners, and retailers. In this regard, offering price discounts is a viable technique that satisfies the need of both price sensitive customers and the bulk purchasers. Reasonable discounts should be offered in order to drive customer retention (del Rio Olivares, Wittkowski, Aspara, Falk, & Mattila, 2018). These initiatives define effective price strategies in bakeries (see Table 5-52). However, the decision to offer price discounts considers a lot of factors. Operating and production costs and economies of scale, likelihood of the bakery to breakeven, demand and sales data, level and nature of rivalry, costs related to logistics management, and the brand of the particular bakery have a significant influence on price discounts. Data management and access to relevant information has been a major challenge to SMEs in Tanzania. They are also faced with difficulty in utilising relevant information so as to improve products, processes, or operating environment. Decisions on price discounts depend on relevant and up-to-date data. By addressing the challenge on data accessibility, and usage, there will be effective pricing strategies particularly the offering of scientific price discounts.

Market forces influence prices and pricing strategies. These forces comprise of demand and supply, competition, consumer characteristics and behaviours, the influence of substitute

products, and accessibility and costs of raw materials. These factors are likely to increase or reduce the prices of products. This study confirms that the pricing strategies in bakeries are punctuated by the readiness of bakeries to offer market driven prices (see Table 5-52). If market forces reduce prices, customers benefit. This is because; customers are interested in low price but quality products. One of the quality attributes mostly sought include appealing product features such as design and style (Adewale, Adesola, & Oyewale, 2013). On the other hand, low prices are likely to lower sales if customers do not increase. Additionally, low prices may not enable bakeries to outweigh operation and production costs. However, customers may increase due to low prices especially when quality is maintained. In this case, bakeries are likely to increase output and outweigh operation and production costs more profoundly. Nevertheless, in case market forces propel high prices, bakeries are likely to witness low sales, customers, and eventually low output level. However, the production and delivery of high quality products under advanced customer service is likely to maintain or increase the number of customers. In this case, bakeries have the responsibility of explaining to their customers about the reasons for price changes.

Product prices need to reflect product quality. The quality and price are one of the major factors that can be used by bakeries to understand and serve their different customers (Kiumarsi, Jayaraman, Isa, & Varastegani, 2014). As highlighted earlier, product quality has been shown by its ability to satisfy the needs of consumers such as the need for well designed packaging, healthy and safe products with their original taste, aroma, flavour, and freshness, and size. This study finds that effective pricing strategies in bakeries are characterised by the ability of bakeries to set prices that can easily be linked with product quality by customers themselves (see Table 5-52). This is a competitive advantage to bakeries and enables them to maintain customers who would complain or be dissatisfied with the set prices had the bakeries been unable to reveal the linkage. However, not every customer will be able to tell the link. This is because; customers differ significantly in terms of knowledge and experience. In that case, bakery owners/managers and their subordinates have the responsibility of explaining to their existing and potential customers about the link between price and product quality in order to influence customer trust, dependability, and loyalty.

Competitive prices are likely to differ from those offered by rivals. This is mainly caused by several factors. They include ability of one firm to effectively manage production and operation costs, ability to manage the supply chain, capabilities in accessing and using relevant information for the improvement of products, processes, and operating environment, and the commitment of one firm to increase more its market share than its competitors. This study confirms that effective pricing strategies are characterised by bakery capabilities in setting

prices that differ from that of its competitors (see Table 5-52). That is why the level of competition has been one of the major factors considered in price setting (Jovanov-Marjanova, Davcev, & Boeva, 2016). In this regard, based on the reliance on market conditions and up-to-date business information, enhanced internal operations, and the effective management of the relationship between suppliers, customers, and other business partners, a bakery is likely to not only set a competitive price, but prices that differ with that of its main rivals. In a competitive food sector particularly the bakery industry that witnesses a great number of price sensitive customers, a slight difference in prices is likely to have a significant impact on performance. Apart from the contribution of pricing strategies on bakery performance, this study discusses the contribution of distribution strategies as well.

6.4.3 Distribution Strategies and Bakery Performance

As mentioned earlier, the SME performance is mainly contributed to by employee training, compensation, and rewards (Mansor, Abu, & Nasir, 2015). The study tells that the relationship between distribution strategies and the number of customers in SME bakeries is moderated by the workforce's professional behaviour, acquired competency through training, and the rewarding systems in bakeries (findings on Hypothesis 3e). The study further informs that there is a positive linear relationship between distribution strategies and the number of customers in bakeries with advanced human resource competency (see Table 5-66). In contrast, there is no any linear relationship between distribution strategies and the number of customers in bakeries with low human resource competency (see Table 5-67). In this regard, the study tells that bakeries that develop and implement their distribution strategies through employees who behave professionally, are well trained, and rewarded accordingly, can increase the number of customers. This suggests that the commitment of SME owners/managers in facilitating professional training, and pleasant compensation schemes influences an increased number of customers.

The managerial experience of owners/managers is one of the key characteristics of Tanzania's owners/managers that play a vital role in influencing SME performance (Isaga, 2015). The study tells that the relationship between distribution strategies and sales level in SME bakeries is moderated by the business experience of the owner/manager of a bakery (findings on Hypothesis 3f). The study further informs that there is a positive linear relationship between distribution strategies and sales level in bakeries whose owners/managers have a basic business experience (see Table 5-70). Conversely, there is no any linear relationship between distribution strategies and sales level in bakeries whose owners/managers have an advanced business experience (see Table 5-69). Therefore, the study can conclude that the development and execution of distribution strategies in SMEs do not necessarily require vast business experience

of the owners/managers in order to increase sales level. It can be concluded that what owners/managers need to hold is the basic business experience and an understanding of the relevant market logistics and customer characteristics in order to develop suitable delivery mechanisms that are in the interest of the market and eventually influence greater sales.

The study findings confirm that effective distribution strategies are shown by the commitment of bakeries to deliver customer orders on time (see Table 5-52). Timely delivery influences more purchase in bakeries (Jamnani & Daddikar, 2015). These are orders that are made by bulk purchasers such as vendors, stores, shops, supermarkets, restaurants, hotels, conference centres, schools, public and private offices, and individual buyers such as families. There is a great chance that these buyers are not located in the same vicinity. The distance between their locations may be contributed to by untimely delivery if bakeries fail to manage delivery logistics. Logistics management includes the availability and use of appropriate means of transport. Additionally, it also includes effective management of delivery schedules and their point of delivery. However, logistics management needs the support of other bakery operations such as timely production, and packaging. In this regard, bakeries may acquire or outsource transport facilities that can handle the timely delivery of bakery products with their freshness, and taste. The two decisions have both financial and reputation implications. For example, acquisition of vehicles or customised motorcycles increases capital outlay particularly to infant SMEs that are not financially strong. Additionally, the asset management, management of employees involved in distribution, and the cost management and control tasks are all borne by the bakery. However, the informed decision to acquire the relevant assets is an investment that will enable the bakery to deliver timely, thus increasing its reliability and reputation. On the other hand, outsourcing has both advantages and disadvantages. The bakery may get time to focus on other core activities. However, the need to have full control of the entire delivery process in order to attain competitive advantage may be limited. Therefore, bakeries have the responsibility to analyse the effects of each choice before making an actual implementation. Timely delivery of bakery products builds trust, dependability, and customer loyalty. It is an effective distribution strategy that guarantees competitiveness and growth of SMEs.

Distribution strategies in bakeries are defined by the bakery's capabilities in delivering products as per customer's requirements (see Table 5-52). The requirements may involve the timely delivery, and the delivery of products at specific points, and in the required size, packaging, quantity, and freshness. That is why, the study has suggested the need to interconnect the delivery process, production process, and order processing activities in order to meet customer's requirements accordingly. Most of the Tanzanian SMEs are likely to face challenges in integrating the three operations and meet different specific customer's requirements promptly. This is due to the fact that most SMEs experience staff shortage, and insufficient financial

resources that barricade the development of effective management information systems that would enable employees to collect, store, and timely process both customer orders and their requirements. Through these systems, bakeries are likely to receive feedback from their customers and correct any weaknesses shown during order processing and delivery. Additionally, bakeries will also get an opportunity to understand and analyse the particular sales and consumption trends. The investment in the training and development of human resource that can make sound logistics decisions; and the development of appropriate management information systems, will enable bakeries to deliver products according to customer's requirements.

Although most of the SMEs are faced with financial limitations, and poor logistics capabilities (Mafini & Omoruyi, 2013), the study findings confirm that effective distribution strategies are also characterised by readiness of bakeries to bear delivery costs (see Table 5-52). It is common to see firms concealing these costs in product prices. On the other hand, it is not uncommon to see the separation between delivery costs and product prices. There are several marketing implications for each of the two decisions. When the delivery costs are part of the product prices for the concerned customers, the prices may increase and discourage price sensitive customers from purchasing the product especially if the 'real' price is known to them. To a great extent, the 'real' price is likely to be known because it is the price charged by bakeries at their sales points where delivery costs are not incurred. Conversely, the concerned customers are likely to embrace a 'new' price provided that it is reasonable and they knew the product price before adding some delivery costs. In this case, bakeries are likely to maintain or increase the concerned customer base. The study argues that the separation of product prices from delivery costs is likely to inform the customers about the costs of special treatment. In this case, customers whose products are delivered at their identified locations will understand and feel the obligation of paying more than those who purchase at sales points. Additionally, the decision to separate prices from delivery costs is likely to signal bakery's commitment in treating its customers equitably. Unfairness has negative effects to firm reputation. In order to increase firm reputation, bakeries need to raise awareness about the delivery costs and product prices to their customers, and bear delivery costs for whoever requests for product delivery at their identified locations, provided that they make reasonably bulk purchase or are regular customers such as individual persons or households. This decision will ultimately attract more bulk purchasers and create more regular and loyal individual customers.

SMEs need to broaden their distribution networks in order to expand their markets (Nawawi, Husin, & Wiryawan, 2017). In order to widen its distribution network, a firm may decide to reach its customers through agents. In the food sector, agents include restaurants, shops, food stores, supermarkets, and vendors. This study finds that the use of agents in distributing

products characterises effective distribution strategies in bakeries (see Table 5-52). In most cases, the agents are paid through commission per sales made. The higher commission drives the commitment of agents to sell more so that there is minimum or no dead stock. However, this arrangement may limit the sales of other highly perishable bakery products whose care needs modern storage facilities. To a great extent, this is possible in restaurants, supermarkets, and food stores that own more modern food storage facilities than most of the shops and vendors. Shops and vendors are likely to do better in the distribution of breads, buns, and some of the cakes. However, vendors and shops may be concentrated in areas that have many consumers than supermarkets and food stores. This opportunity may be seized by the commitment of bakeries to establish sales centres in such areas. Generally, the use of agents in distributing products enables SMEs to lower distribution costs, expand their markets, and foster their competitiveness. There are however, several challenges associated with the use of agents in distributing products. In most cases their relationships with SMEs are informally governed by experience and not written contractual agreements. Additionally, since agents do not own the products, they may not exercise a sense of 'ownership' and therefore, eventually, they are likely to lessen their distribution commitment. It should be noted that most of these agents distribute different types of products including bakery and its substitute products from different producers and competitors. In this regard, they are likely to influence customers to buy products that give them high commission and neglect those with low commission even though they are quality products. This study argues that close monitoring of their performance including their conduct, reputation, and reliability, and the commitment of bakeries in ensuring that contractual arrangements are honoured need to be exercised by bakeries in order to address these challenges.

Storage capacities enable bakeries to store a large quantity of produced products before being distributed to sales points or agents. However, the modern storage facilities should be used to store the bakery products for reasonable time in order to preserve the taste, flavour, and freshness of products. The use of modern facilities is a major driver of competitive advantages in distribution. That is why the study findings translate the possession of modern storage facilities as one of the best distribution strategies in bakeries (see Table 5-52). However, not all bakeries have the financial capabilities of possessing modern storage technology. In this regard, they need an effective and relevant financing strategy to acquire them. On the other hand, most of them do not embrace the idea of acquiring big loans for making strategic investments. For example, in Tanzania, most of the SMEs lack business plan development skills that would convince financial institutions to fund their plans. Moreover, most of them lack the required collaterals (Richard & Mori, 2012). In this regard, business plan development trainings are necessary. Additionally, business plan development can be outsourced from experts provided

that the charged fee is reasonable for SMEs. On the other hand, the acquisition of modern storage facilities is dependent upon the wide distribution network and big production output. In this regard, a substantial customer base reflects the choice of acquiring such facilities.

The study findings confirm that the success of distribution strategy in bakeries depends heavily on the reduced order processing time (see Table 5-52). Customers want to see timely product delivery. After receiving the order, the product delivery depends on the time used by bakeries to process it, and package it ready for transporting to the customer's identified premises. Nevertheless, the order processing time depends on how timely the bakeries have worked on the specific requirements of the customer such as type, ingredients, taste, flavour, size, quantity, price, and packaging style of the products. In this case, bakery employees may spend considerable time designing and producing the products according to the specific requirements. However, bakeries have to specify the expected time spent until when customers receive their products. In order to influence trust, dependability, and customer loyalty, the promised order processing time should be honoured. Working timely allows bakeries to manage well planned distribution schedules. On the other hand, owners/managers have the responsibility of adopting and integrating the production process with both management information systems, and logistics management practices in order to reduce order processing time and deliver according to the customer requirements. Apart from the contribution of distribution strategies on bakery performance, this study discusses the contribution of promotion strategies as well.

6.4.4 Promotion Strategies and Bakery Performance

Effective promotion strategies attract more bakery customers (Kiumarsi, Jayaraman, Isa, & Varastegani, 2014). The study confirms that the relationship between promotion strategies and the number of customers in SME bakeries is moderated by the workforce's professional behaviour, acquired competency through training, and the rewarding systems in bakeries (findings on Hypothesis 3g). The study further informs that there is a positive linear relationship between promotion strategies and the number of customers in bakeries with advanced human resource competency (see Table 5-72). On the contrary, there is no any linear relationship between promotion strategies and the number of customers in bakeries with low human resource competency (see Table 5-73). Therefore, the study tells that bakeries that develop and implement promotion strategies through employees who behave professionally, are well trained, and rewarded accordingly, can increase the number of customers. This suggests that the commitment of SME owners/managers in facilitating professional training, and pleasant compensation schemes influences an increased number of customers.

Promotional strategies can play a key role in influencing sales performance (Onyejiaku, Ghasi, & Okwor, 2018). The study tells that the relationship between promotion strategies and sales

level in SME bakeries is moderated by the business experience of the owner/manager of a bakery (findings on Hypothesis 3h). The study further tells that there is a positive linear relationship between promotion strategies and sales level in bakeries whose owners/managers have a basic business experience (see Table 5-76). On the other hand, there is no any linear relationship between promotion strategies and sales level in bakeries whose owners/managers have an advanced business experience (see Table 5-75). Therefore, the study concludes that the development and implementation of promotion strategies in SMEs do not necessarily require huge business experience of the owners/managers in order to drive an increased sales level. It can be concluded that what owners/managers need to hold is the basic business experience and an understanding of the relevant market characteristics such as the existing promotion strategies used by rivals, and the customer characteristics and behaviours in order to develop appropriate promotion techniques that reflect the nature of the markets and ultimately influence greater sales.

Brochures have been used by SMEs as a marketing tool (Lekhanya & Mason, 2013). The study findings confirm that the use of leaflets and brochures is one of the preferred means of communicating bakery products (see Table 5-52). In most cases, leaflets and brochures are used when the bakery wants to raise awareness about its products especially newly introduced products. Additionally, young SMEs prefer leaflets and brochures to communicate about their existence than older ones. In Tanzania, most of the SMEs prefer leaflets and brochures that are inexpensive. However, bakeries need to design leaflets and brochures that are attractive and make clear communications about bakery products, sales points, prices, delivery options, and opening and closing time. SMEs can afford to produce as many inexpensive brochures and leaflets as possible. In this regard, they will also be able to reach as many potential customers as possible. Leaflets and brochures are effective in communicating with individual persons than institutions. Communicating with institutions may require the presentation and submission of many documents. However, individuals within the respective institutions may receive the message through leaflets and brochures. Bakery owners/managers and their employees can easily use leaflets and brochures in communicating their bakery and its products to potential customers such as the surrounding households and business centres, and to their friends, and family members.

One of the preferred means of communicating bakery products has been the social media (see Table 5-52). Although social media applications such as *Facebook* and *Instagram* are used by bakeries to communicate their products, *WhatsApp* is the most preferred application especially through *WhatsApp* groups or *WhatsApp* message sent directly to an individual person. *WhatsApp* has also been a preferred application in other sectors (Oji, Iwu, & Haydam, 2017).

Bakery owners/managers and employees prefer an application that allows their adverts or promotion messages to be shared swiftly and reach as many people as possible. A well designed content of the advert or promotion message is likely to draw the attention of readers. Additionally, the swift sharing of the promotion message or advert done by the readers is mainly influenced by the close relationship between the reader and the sender, the interest of the reader in bakery products, and the attractiveness of the advert or promotion message. Capabilities in designing appealing adverts or promotion message, or in selecting the right designer and use the adverts appropriately can be acquired by SMEs through training. This is a training that will enable SME owners/managers and their subordinates to engage in various social media and market their products accordingly. However, an analysis of the target market should be carried out before executing promotion campaigns in social media.

The significance of personal selling in SMEs is apparent (Lekhanya & Mason, 2013). The findings have also revealed that promotion strategies in bakeries are defined by the commitment of bakery owners/managers and employees to personally communicate their products to potential individual customers (see Table 5-52). This is a promotion campaign through which, potential customers are approached and convinced to purchase bakery products. This strategy is supported by the competency of owners/managers and their employees in identifying potential customers, establishing conversations and relationships, and building and maintaining trust and commitment in fulfilling promotion promises. These capabilities can be acquired by undergoing frequent trainings in marketing, and willingness of employees and their owners/managers to share marketing experience. As discussed earlier, these conversations can be established for the sake of building relationships with potential customers and eventually penetrate in their social networks. SMEs can use social networks to promote their products and increase the size of their markets. Nevertheless, by personally communicating their products to potential individual customers, bakeries are likely to get enough information that will enable them to improve their marketing skills, products, processes, and operating environments.

As discussed earlier, bakeries like most of the food enterprises can expand their distribution network through agents such as restaurants, shops, food stores, supermarkets, and vendors. However, in order to accept the products, promotion techniques are employed. As revealed in Table 5-52, the employed strategies should seek to recruit committed agents and distributors who will enable bakeries to deliver their products effectively and efficiently (Kiumarsi, Jayaraman, Isa, & Varastegani, 2014). The most successful strategy is for bakery owners/managers to personally meet the top decision makers in these entities and raise awareness about the bakery and its products, and processes for the sake of influencing their decisions to make business. In these conversations, mutual benefits will be discussed and negotiations made. The interactions and conversations are likely to bring questions that need

immediate clarifications from knowledgeable owners/managers or their employees. Bakeries have the responsibilities of identifying and analysing the potential agents before establishing business conversations and relationships with them. In this regard, SMEs should be capable of analysing their target market on regular basis so that they can quickly accommodate changes in the markets, and adjust their promotion strategies accordingly. Such capabilities are gradually established by the support of frequent marketing trainings and readiness and commitment of owners/managers in creating motivating and learning environments to their employees.

The corporate reputation is one of the firm's assets that can influence stakeholders' confidence in the organisation (Adeosun & Ganiyu, 2013). The corporate reputation is to a great extent, influenced by the employee reputation. That is why employees play a great role in building both brand and reputation. This is the reason as to why, branding needs to be integrated in the corporate culture and employee conducts (Yüksel, 2015). The reputation of employees including the owners/managers plays a vital role in promoting an SME and its products. This study confirms that one of the components of promotion strategies in bakeries is the use of employee reputation as means of communicating their products (see Table 5-52). There are some customers who make purchase decisions based on the reputation of the workforce particularly the owners/managers. For example, customers may build confidence in the way the owners/managers and their employees behave in particular communities, or in their commitment to offer advanced customer service. Also, potential customers who are aware of the vast positive experience of owners/managers in the food sector including bakery business, may perceive that the same experience is being utilised in respective bakeries to produce quality product and offer advanced customer service. Once the bakery products, processes, and operating environment exceed the expectations of the customers, the bakery gets an opportunity to broaden its customer base, customer loyalty, and competitiveness. This study argues that bakeries have the responsibility of enhancing their workforce's reputation in order to promote their products at low costs and efforts.

The willingness of customers to regularly purchase and consume bakery products influences the sustainability of bakeries. In this regard, good customer service that is defined by the commitment of bakeries in producing and delivering bakery products according to the customers' needs, interests, and preferences, needs to be a priority in bakery operations. This study confirms that managing the relationship with customers is a core duty that translates promotion strategies in bakeries (see Table 5-52). The customer relationship management practices need to be improved in order to timely access and work on the feedback, grievances, and suggestions from the customers, and eventually improve bakery products, processes, and operating environments. Satisfied customers are likely to repeat purchase (Beránek, Nýdl, & Remeš, 2015) and influence others to make purchase (Okolo, 2017). Bakery owners/managers

have the role to play in ensuring that managing customer relationship is a responsibility of every member of staff. They are also required to interconnect their views, and ideas on how customer service can be improved in their SMEs through frequent meetings and teamwork execution of bakery operations. In this regard, the customer base can increase and hence SME growth and sustainability. Regular trainings on customer relationship management are strategic investments that can bring numerous benefits in SMEs. Apart from the contribution of marketing strategies on bakery performance, this study discusses the contribution of other entrepreneurial strategies (knowledge management) as well.

6.5 Knowledge Management Strategies and Bakery Performance

Both the variables characterising knowledge management strategies and their contribution on bakery performance are discussed.

6.5.1 Knowledge Creation and Bakery Performance

There has been a direct link between knowledge management initiatives and firm performance (Mardani, Nikoosokhan, Moradi, & Doustar, 2018). The study tells that the relationship between knowledge creation and cost level in SME bakeries is moderated by the education of the owner/manager of the bakery (findings on Hypothesis 4a). It is also revealed that there is a negative linear relationship between knowledge creation and cost level in bakeries with the owner/manager whose level of education is simply basic (see Table 5-84). The negative relationship tells that knowledge creation strategies in bakeries play a vital role in reducing production and operating costs. On the contrary, there is no any linear relationship between knowledge creation and cost level in bakeries with the owner/manager whose level of education is advanced (see Table 5-83). The study concludes that the management of knowledge creation initiatives and practices in SMEs does not necessarily require higher academic qualifications in order to influence the reduction of costs and increase competitiveness. The owners/managers who have basic academic qualifications are in better position of competing effectively to manage both knowledge creation processes and costs in their SMEs.

The competency of owners/managers in managing knowledge initiatives and ultimately influencing SME performance is of paramount importance (Byukusenge, Munene, & Orobia, 2016). The study tells that the relationship between knowledge creation and output level in SME bakeries is moderated by the business experience of the owner/manager of the bakery (findings on Hypothesis 4b). It is also revealed that there is a positive linear relationship between knowledge creation and output level in bakeries with owner/manager whose business experience is advanced (see Table 5-86). The positive relationship tells that knowledge creation strategies in bakeries play a vital role in increasing production. On the contrary, there is no any linear relationship between knowledge creation and output level in bakeries with the

owner/manager whose business experience is basic (see Table 5-87). The study can conclude that the management of knowledge creation strategies in SMEs requires more business experience in order to influence production.

The innovative behaviour of employees is translated by their idea development initiatives (Lukes & Stephan, 2017). Once ideas have been generated, there is a great need of expanding them in order to have positive impact in business operations and outcomes. Knowledge creation involves both idea generation and development. This study confirms that the knowledge creation strategy is characterised by the consistent commitment of bakery employees in developing ideas that improve bakery products, or processes, or operating environment (see Table 5-81). Idea development is intertwined with creativity and may lead to rewarding innovations. An employee's ability to develop ideas may also be resulted by his/her knowledge, experiences, and skills. Additionally, readiness and motivation to learn new things contributes to his/her commitment to expand ideas even though he/she did not create them. To a great extent, all these initiatives are supported by an employee's entrepreneurial spirit. However, willingness of owners/managers to support idea development is of paramount importance in enhancing knowledge creation in bakeries. They also need to integrate idea generation and idea development initiatives and thereafter be ready to preserve the knowledge created so that it can be shared and be utilised by other bakery employees.

Knowledge creation strategy is also defined by the commitment of SMEs to create working environments that allow employees to generate ideas in regard to the improvement of products, or processes, or operating environment (see Table 5-81). There is a great contribution of such commitment in bakery performance particularly in terms of increased output and reduced production and operating costs. The working environment that stimulates knowledge creation accommodates effective reward systems and policies, invests in offering necessary trainings to its employees, and boasts itself with well defined duties and responsibilities, and effective governance mechanisms and structures. It should be noted that the ownership and management structure significantly influences knowledge management processes in SMEs (Supyuenyong, Islam, & Kulkarni, 2009). An effective working environment can influence teamwork and entrepreneurial spirit at workplace by valuing and supporting ideas generated by employees in improving bakery products, or processes, or operating environment. In this regard, employee motivation in idea generation is likely to increase. Nevertheless, the support and commitment of owners/managers in designing and implementing an inclusive decision making process in managing ideas is of paramount importance.

Knowledge creation strategies are also defined by the commitment of bakeries to regularly train their employees in regard to analysing information from the customers, suppliers, agents, or

business partners (see Table 5-81). Information from these players may be difficult to interpret if employees do not have the required competencies in managing knowledge. This is because; customers, suppliers, agents, or business partners have diverse needs and provide different information and in different styles and formats. All this information needs to be analysed and considered in bakery operations. In this regard, training employees in analysing information provided by stakeholders should be a viable strategy adopted by bakery owners/managers. An employee training drives employee competency in addressing challenges and increasing productivity (Sherwani & Mohammed, 2015). However, employees need to be trained in integrating the analysed information in the goals and objectives of the SMEs in order to sustain business mission. All the information received should be honoured and analysed fairly in order to enable the bakery to taste every tone of satisfaction, dissatisfaction, demand, and suggestions from customers, suppliers, agents, or business partners. This is because; poor analysis may lead to poor and uninformed decisions that have negative impacts to SMEs' operations and performance.

As it has been seen earlier, bakery stakeholders provide important information that has an impact in bakery operations. These stakeholders include customers, suppliers, agents, or business partners. They also provide useful ideas and suggestions that enhance bakery operations. Nevertheless, as discussed earlier, bakery employees do provide useful suggestions, ideas, and other key information. In this regard, it has been found that the knowledge creation strategy in bakeries is defined by the commitment of bakeries to link the employee-given ideas with those given by customers; suppliers, agents, or business partners in order to acquire a common ground (see Table 5-81). Finding a common ground is an important initiative that seeks to accommodate and blend the ideas of all stakeholders for the benefit of business. However, establishing a common ground is challenging. This is due to the fact that the ideas of these groups differ significantly. Additionally, attaining objectivity when establishing the common ground is also a challenge if employees who have given their ideas are the ones involved in establishing the common ground. However, all the time, a common ground should consider the business goals, objectives, and capabilities of employees, processes, and technology. Given this context, successful knowledge management initiatives are those which enhance the linkage between people, processes, and technology (Omotayo, 2015).

Effective knowledge management practices and systems should be able to facilitate the collection of information from external sources (Attafar, Sadidi, Attafar, & Shahin, 2013). The study findings entail that the knowledge creation strategy in bakeries is also characterised by the bakery commitment to design and put mechanisms on how to receive suggestions, complains, ideas, or any relevant information from bakery customers, suppliers, agents, or business partners (see Table 5-81). Such mechanisms such as suggestion box, or meeting bakery management in

person, or contacting them via communication channels that are convenient to stakeholders, need to consider the characteristics of the stakeholders, operating environment, and convenience in giving suggestions, complains, ideas, or any relevant information. In all cases, this strategy should be facilitated by the customer relationship management practices in a particular bakery. Nevertheless, receiving suggestions complaints, ideas, or any relevant information from bakery customers, suppliers, agents, or business partners cannot be sustainable if bakeries do not work on the provided information and bring feedback timely. This is because; stakeholders need attention and are interested to know whether their suggestions, complaints, ideas, or any relevant information have been honoured and considered. Additionally, they also want to see the highest level of confidentiality especially in discipline matters. Apart from the contribution of knowledge creation on bakery performance, this study discusses the contribution of knowledge sharing as well.

6.5.2 Knowledge Sharing and Bakery Performance

The study tells that the relationship between knowledge sharing and cost level in SME bakeries is moderated by the education of the owner/manager of the bakery (findings on Hypothesis 4c). It is also revealed that there is a negative linear relationship between knowledge sharing and cost level in bakeries with the owner/manager whose level of education is basic (see Table 5-90). The negative relationship informs that knowledge sharing strategies in bakeries contribute significantly in the reduction of production and operating costs. Quite the opposite, there is no any linear relationship between knowledge sharing and cost level in bakeries with the owner/manager whose level of education is advanced (see Table 5-89). The study can conclude that the knowledge sharing practices in SMEs does not necessarily rely on higher academic qualifications in order to attain effectiveness in cost management. The owners/managers who have basic academic qualifications are in better position of competing effectively to manage both knowledge sharing and costs in their SMEs.

The knowledge sharing practices influence competitiveness (Xu, Quaddus, & Gao, 2014). The study tells that the relationship between knowledge sharing and output level in SME bakeries is moderated by the business experience of the owner/manager of the bakery (findings on Hypothesis 4d). It is also revealed that there is a positive linear relationship between knowledge sharing and output level in bakeries with the owner/manager whose business experience is advanced (see Table 5-92). The positive relationship tells that knowledge sharing strategies in bakeries play a vital role in increasing production. In contrast, there is no any linear relationship between knowledge sharing and output level in bakeries with the owner/manager whose business experience is basic (see Table 5-93). The study concludes that the management of knowledge sharing strategies in SMEs requires more business experience in order to influence output.

The knowledge management practices within the firm influence employee's knowledge management behaviour (Detlor, et al., 2006). This study confirms that one of the components defining the knowledge sharing strategy is the willingness of bakery employees to share any idea, or information that can improve bakery products, or processes, or operating environment (see Table 5-81). Bakeries can attain competitiveness by sharing information that is useful in the improvement process. However, willingness to share information among employees depends on the prevailing teamwork spirit and bakery management support. Employees who share information are driven by the desire to learn. These are likely to be employees who are fully involved in decision making processes taking place in their respective bakeries. As it has been stated earlier, the act of participating in decision making processes makes employees feel one of the 'owners' of the improvement process and ultimately their desire to share, learn, cooperate, and assist one another increases. It should however be noted that sharing of idea, or information may be barricaded by self-centredness from some of the employees. Self-centredness may be influenced by the competition existing among employees particularly when the reward systems honour individuals and disregard the efforts made by the teamwork. This study argues that both individuals and teamwork efforts need to be rewarded accordingly in order to sustain knowledge sharing.

Knowledge sharing is also characterised by the commitment and readiness of bakeries to openly discuss all information or ideas regarding the improvement of their products, or processes, or operating environment (see Table 5-81). These initiatives define transparency in SMEs. Transparency stimulates teamwork and drives fair decisions. In this regard, employees get an opportunity to learn from their fellow employees and plan their knowledge management strategies together. However, readiness to discuss these matters openly is driven by teamwork spirit among employees. Fair treatment shown by owners/managers is also a major causative agent. Through open discussion, particularly face-to-face communication (Edvardsson, 2006; Hudcová, 2014), one's idea can be expanded and developed for the betterment of the bakery. When these open discussions involve owners/managers, the trust between employers and employees increases and ultimately, employees are motivated to provide their useful suggestions that enhance the improvement process. Once an open discussion improves one's idea or information, employees are likely to continue sharing useful ideas and information since they will not be disappointed. However, employees need to be ready to offer and receive constructive criticisms from their colleagues in order to modify ideas and improve their products, or processes, or operating environment.

The working environment plays a vital role in enhancing knowledge management practices in bakeries. The study confirms that knowledge sharing in bakeries is also defined by the working environment that allows employees to share, and discuss ideas or information regarding the

improvement of bakery products, or processes, or operating environment (see Table 5-81). Such working environment is characterised by the management support, reward systems and policies, enhanced employer-employee relationship, cooperation among employees, enhanced learning environment, and employee growth opportunities. All these elements stimulate the flow of information in bakeries. The management support tells that owners/managers have a role to play in ensuring that knowledge sharing initiatives from employees are accommodated in business goals and objectives. Initiatives that seek to facilitate the flow of information, and ideas, and the respective discussions need to be rewarded and be backed by relevant policies. Reward and incentives had for years been regarded as a stimulator of knowledge generation initiatives in SMEs (Handzic, 2004). Relationships between employees and their owners/managers that are translated by teamwork and trust can facilitate knowledge sharing in bakeries. Additionally, the readiness of employees to cooperate at workplace encourages them to share and discuss ideas and relevant information. It should also be noted that once employer-employee relationship and relationship among employees are strengthened, learning process is enhanced and ultimately, the working environment drives career development of employees.

Information and ideas come from different stakeholders. These include customers, suppliers, agents, and business partners. The findings indicate that the knowledge sharing in bakeries is facilitated by the maximum interaction between bakery employees and customers, suppliers, agents, or business partners (see Table 5-81). These stakeholders meet employees in order to get particular information, service and for discussion. These meetings increase the interaction with employees. Inasmuch as the interaction increases, more knowledge sharing takes place. However, the members of SMEs that do not share knowledge also prevent the incoming knowledge (Bozbura, 2007). Stakeholders are likely to interact with employees if their relationship with employees is enhanced. For example, effective customer relationship management practices stimulate more interaction which in turn becomes a source of ideas, and useful discussion and suggestions. Through interaction, bakeries understand both their strengths and weaknesses, and get an opportunity to address challenges and ultimately improve their products, or processes, or operating environment.

Employees provide useful ideas, suggestions, and relevant information that can be used to improve bakery products, processes, or operating environment. However, employees need to receive feedback concerning the progress or decisions made on their ideas, suggestions, or discussions. Additionally, the feedback needs to be provided timely in order to motivate employees in generating more ideas, discussions, and engage more in discussions that aim at improving bakery products, processes, or operating environments. This study confirms that once the feedback on the progress of the employee-given/generated information is given timely, knowledge sharing initiatives are enhanced (see Table 5-81). The timely provision of feedback

translates bakery commitment in embracing employees' efforts in the improvement process. It also provides an opportunity for employees to discuss the feedback and improve the suggested solutions or decisions made by the owners/managers or created teams. Such discussions expand knowledge and enable the sharing of knowledge among members. They also motivate employees to engage in knowledge sharing practices and build trust among members. SMEs are likely to foster an effective knowledge sharing culture once motivation and trust among their members increase (Eze, Goh, Goh, & Tan, 2013). Apart from the contribution of knowledge sharing on bakery performance, this study discusses the contribution of knowledge utilisation as well.

6.5.3 Knowledge Utilisation and Bakery Performance

The management of knowledge application influences productivity (Zargar & Rezaee, 2013). The study tells that the relationship between knowledge utilisation and cost level in SME bakeries is moderated by the education of the owner/manager of the bakery (findings on Hypothesis 4e). It is also revealed that there is a negative linear relationship between knowledge utilisation and cost level in bakeries with the owner/manager whose level of education is basic (see Table 5-96). The negative relationship informs that knowledge utilisation strategies in bakeries play a significant role in reducing production and operation costs. On the contrary, there is a positive linear relationship between knowledge utilisation and cost level in bakeries with the owner/manager whose level of education is advanced (see Table 5-95). The positive relationship tells that the knowledge utilisation strategies tend to increase the cost level in bakeries with the owner/manager whose level of education is advanced. The study concludes that the knowledge utilisation practices in SMEs do not necessarily rely on higher academic qualifications in order to attain effectiveness in cost management. The owners/managers who have basic academic qualifications are in better position of competing effectively to manage both knowledge utilisation and costs in their SMEs.

The business experience of the SME owners/managers can enable them to manage knowledge processes. The knowledge processes influence firm performance (Imran, Ilyas, Aslam, & Fatima, 2018). The study confirms that the relationship between knowledge utilisation and output level in SME bakeries is moderated by the business experience of the owner/manager of the bakery (findings on Hypothesis 4f). It is also revealed that there is a positive linear relationship between knowledge utilisation and output level in bakeries with the owner/manager whose business experience is advanced (see Table 5-98). The positive relationship tells that knowledge utilisation strategies in bakeries play a significant role in increasing production. In contrast, there is no any linear relationship between knowledge utilisation and output level in bakeries with the owner/manager whose business experience is basic (see Table 5-99). The

study can conclude that the management of knowledge utilisation strategies in SMEs requires more business experience in order to influence output.

Effective application of knowledge management triggers competitiveness (Mohajan, 2017). On this regard, the findings suggest that bakery employees are willing to apply, and do apply any ideas, or information from their colleagues to improve products, or processes, or operating environment. Such applications define the knowledge utilisation strategy in a bakery (see Table 5-81). There are a lot of factors that define employees' willingness to apply ideas given by their workmates. These factors may be associated with employees' readiness to work in teams, their commitment in sharing and discussing information with other employees, and the bakery's commitment in supporting enhanced knowledge management environment. The employees' readiness to apply the knowledge in the improvement process is likely to define the employees' entrepreneurial spirit. This is the mindset that values every information or ideas generated. An entrepreneurial spirit stimulates the workforce to apply the knowledge in order to learn about the utilisation process, and all its outcomes. Without utilising the ideas or relevant information given by fellow workmates, there will be no knowledge utilisation initiatives and ultimately, the SME performance in terms of increased output and reduced production and operating costs cannot be attained.

Business stakeholders are regarded as one of the major sources of essential resources and drivers of business reputation (Matuleviciene & Stravinskiene, 2015). Information or ideas provided by key bakery stakeholders such as customers, suppliers, agents, or business partners are useful in improving bakery products, processes, or operating environments. In this regard, they need to be interpreted after in-depth analyses have been carried out in order to understand how to apply them in the improvement processes. These initiatives increase knowledge in bakery. That is why this study confirms that the bakery commitment to heavily rely on the information or ideas given by customers, suppliers, agents, or business partners defines their knowledge utilisation strategies (see Table 5-81). However, ideas and other information given by customers, suppliers, agents, or business partners differ. These are also stakeholders with diverse interests and demands. In this regard, the challenge in blending the mix in order to integrate the ideas and relevant information in bakery operations may emerge. However, SMEs need capabilities in analysing this information and intertwine it with specific objectives and targets. In this regard, all relevant information and ideas provided will be valued and be utilised in the operations without weakening their significance in the improvement processes.

Communication is an essential facet of knowledge management (Tıngoy & Kurt, 2009). The relationship between employees and organisation stakeholders is enhanced through communication. For that matter, employees need skills that enable them to report information

to organisation stakeholders. In SMEs such as bakeries, they include customers, suppliers, agents, or business partners. Before reporting information to stakeholders is done, critical analysis regarding the information is carried out. In this regard, reporting the information to stakeholders characterises knowledge utilisation. This study confirms that knowledge utilisation in bakeries is defined by the commitment of bakeries to regularly train their employees in regard to reporting information to the customers, suppliers, agents, or business partners (see Table 5-81). Such trainings equip them with competencies that allow them to make effective communication to key business stakeholders whose diverse needs and interests are considered in reporting. For example, customers may need low price and big size of bakery products, while suppliers and agents may be interested with cash payment, and credit purchase respectively. Reporting of information is likely to stimulate greater business relationship if done professionally. Ultimately, these trainings facilitate an enhanced utilisation of knowledge that increases bakery performance and competitiveness.

The findings suggest that SMEs need to enhance their knowledge utilisation strategies by developing capabilities to store, retrieve, and use data in improving their products, or processes, or operating environment (see Table 5-81). There are a lot of categories of business data that affect bakery performance. They include data about competition, compliance, raw materials, customers, suppliers, markets, demand and supply, business partners, production facilities, technology, and respective human resources. Within the bakeries, there are also some data regarding sales, production, costs, and the products. These data need to be categorised according to the bakery needs. They also need to be analysed before being stored, retrieved, or applied in making business decisions. Ability to store, retrieve, and utilise data in improving products, or processes, or operating environment defines the bakery competitive advantages. In this regard, competences in managing data need to be acquired by SMEs in order to stimulate their competitiveness. Data management policies in SMEs need to be developed in order to facilitate the storage, retrieval, and utilisation of data. These policies need to be executed by well trained employees who understand the relevant country policies. Nevertheless, Data management facilities such as database and other management information systems that reflect and consider the needs of SMEs particularly bakeries need to be acquired. However, SMEs are faced with resource constraints. In this case, they have a responsibility of developing creative mechanisms of efficiently utilising the available resources so that they can effectively manage knowledge (Desouza & Awazu, 2006).

As it has been highlighted by the findings, the knowledge utilisation strategies in bakeries are contributed to by the commitment and readiness of bakeries to regularly evaluate the impact of applying generated ideas or given information on the improvement of products, processes or operating environment (see Table 5-81). These ideas or relevant information are provided by

employees, owners/managers, customers, suppliers, agents, and business partners. After being critically analysed, bakeries have the responsibilities of applying the knowledge in improving products, processes, or operating environments. Such improvements need to be evaluated in order to establish the contribution of knowledge application. The evaluation process enables bakeries to correct weaknesses revealed, and enhance their knowledge management practices especially the utilisation initiatives. The evaluation process may reveal to bakeries about their weaknesses, and strengths in their data collection process, analysis, storage, retrieval, and utilisation. By enhancing these processes, the evaluation outcome is likely to be positive. Apart from the contribution of knowledge management strategies on bakery performance, this study discusses the contribution of networking strategies as well.

6.6 Networking Strategies and Bakery Performance

Both the variables characterising networking strategies and their contribution on bakery performance are discussed.

6.6.1 Network Formation and Bakery Performance

The firm's size can impact networking initiatives in SMEs (Machirori & Fatoki, 2013). The study informs that the relationship between network formation strategies and the number of customers in SME bakeries is moderated by the size of the bakery (findings on Hypothesis 5a). The study further informs that there is a positive linear relationship between network formation strategies and the number of customers in bakeries with a basic size (see Table 5-107). On the contrary, there is no any linear relationship existing between network formation strategies and the number of customers in bakeries with an advanced size (see Table 5-106). In this regard, the study concludes that network formation strategies that are developed and executed in SMEs with a small number of employees are likely to increase their number of customers. This may be interpreted by considering the fact that a small team is likely to have higher commitment than a large team particularly in interacting with the existing and potential network members such as family members, friends, and other close individuals from social groups who are likely to become customers and use their influence to attract other potential customers.

SME networking can be influenced by the age of the firm (Machirori & Fatoki, 2013). The study confirms that the relationship between network formation strategies and sales level in SME bakeries is moderated by the age of the bakery (findings on Hypothesis 5b). The study further confirms that there is a positive linear relationship between network formation strategies and sales level in bakeries with an advanced age (see Table 5-109). On the other hand, there is no any linear relationship between network formation strategies and sales level in bakeries with a basic age (see Table 5-110). Therefore, the study concludes that network formation strategies that are developed and executed in SMEs that have been operating for a vast number of years

are likely to increase their sales level. This may be interpreted by considering the fact that the SMEs that have been operating for a greater number of years such as ten years and beyond are likely to increase their business skills, and experience on how to exploit opportunities, combat challenges, and adjust themselves with the market dynamics. In this regard, they are likely to have broad business contacts that can be used to form networks and eventually increase sales performance.

The findings confirm that the network formation strategies are characterised by the commitment shown by bakery owners/managers, and employees in communicating their bakery business to their family members, friends, and social groups (see Table 5-104). Normally, an effective way of developing networks is to start with close members. Close persons could be family members, and friends who play a vital role in the growth of the business (Oke, 2013). These are close people whom bakery employees and owners/managers mostly interact with. Once the bakery is well known to them, they are likely to raise awareness to others and ultimately expand the network. Through family touch, friendship, and social interactions, bakery employees get an opportunity to promote the bakery products and increase their business ties with potential stakeholders who play a vital role in attracting their fellow family members, friends, and members of their social groups in purchasing and consuming bakery products. Nevertheless, the formation and development of such networks depend on the commitment of bakery owners/managers and employees in enhancing the relationship with network members. The ties also depend on the quality products and customer service offered. Nevertheless, bakeries need to enhance these initiatives by creating favourable working environment that motivates them to network with close people for the betterment of their bakeries.

In order to develop effective network formation strategies, bakery employees and owners/managers have the responsibilities of understanding the interests of their family members, friends, or fellow members of the social groups in relation to their business (see Table 5-104). The best approach that can be used to understand their interests and preferences is by interviewing them. Bakeries can also develop effective mechanisms in collecting feedback and regularly asking them to provide their ideas and suggestions in relation to bakery products, processes, and operating environment. The process of understanding their interests and preferences should focus on making them feel exceptionally treated. Once these interests and preferences are understood, bakeries will be in a position to align them with the improvement of their products, processes, and operating environment. These improvements are likely to be communicated by the family members, friends, or fellow members to other people outside the network and ultimately broaden business ties with more people and prospective customers. This is because; networks can be used to access information, resources, and customers (Oke, 2013).

Since friends, fellow members of the social groups, and family members have diverse needs, SME bakeries may face a number of challenges in relation to blending the mix of interests and preferences in order to satisfy the needs of their network members through improved products, processes, or operating environment. However, regular trainings to the workforce particularly in matters related to integrating the business objectives and goals, with the interest and preferences of network members need to take place.

The interpersonal skills play a vital role in developing effective networks. This study confirms that the network formation initiatives in bakeries are influenced by the commitment of bakeries to regularly train their employees and owners/managers in regard to communication, and relationship skills (see Table 5-104). Relationship skills are built on understanding, trustworthiness and ability to persuade others (Bengesi & Le Roux, 2014). As discussed earlier, communication skills should be acquired in order to make effective communication with potential network members. Communications raise awareness on bakery products, processes, and operating environment and play a vital role in understanding and addressing the needs, interests, and preferences of potential network members. Effective communications enhance customer relationship management practice. Relationship skills help bakeries employees and owners/managers to develop and manage both interactions and commitment towards providing superior customer service. Through communication, and relationship skills, bakeries are likely to attract and retain more network members, and eventually broaden their networks. All employees and their owners/managers need to regularly undergo these trainings in order to acquire competencies in managing communications and relationships so that bakeries can be in a position of understanding the needs, interests, and preferences of their potential network members, and integrate them in business operations for the sake of increasing performance in terms of customers and sales.

The formation of networks can be influenced by the interactions between the SME workforce and their close and non close individuals. SME bakeries need to go beyond initiatives that seek to network with family members, friends, or members of the social groups. That is why; this study confirms that bakery employees and owners/managers develop their networks by regularly creating new relationships with individuals who are not family members, friends, or fellow members of the social groups in order to broaden their business influence in more market segments (see Table 5-104). However, establishing a new relationship with individuals who are not family members, or friends, or fellow members of the social groups is a challenging task. Nevertheless, the development of an interpersonal trust is a slow process (Hakanen, Kossou, & Takala, 2016). It needs training on how to make social interaction and create new ties. Additionally, this task needs to be executed by the motivated workforce. In that regard, SMEs have a responsibility of creating motivating working environment in order to influence their

employees become self-driven and creative. Therefore, the meetings that involve discussions on how to create relationships with strangers, and the prevailing challenges, opportunities, and best practices is a valuable platform for bakeries to develop effective network formation strategies.

The findings have also confirmed that network formation strategies in bakeries are characterised by the interactions made by employees and owners/managers with individuals based on the connections made by family members, friends, and fellow members of the social groups (see Table 5-104). As noted earlier, well served and satisfied members of the network tend to positively raise awareness about the bakery products, processes, and operating environment to their close people. In this regard, bakeries have the responsibility of creating relationships through such connections. The new relationships are created and sustained by the frequent interactions between the workforce and newly connected network members. Through these interactions, bakeries will be in a good position to understand their needs, interests, and preferences and address them accordingly. This is because; interpersonal trust is created when parties understand the needs and preferences of one another, and have effective communication between them, and are committed to fulfilling their obligations (Hakanen, Kossou, & Takala, 2016). It should be noted that, the newly connected network members need to be served and treated well by the same advanced customer service offered to existing network members. This is primarily a major driver of new connections. Again, customer relationship management practices need to be enhanced in order to create, manage, and sustain long lasting relationships with network members. Apart from the contribution of network formation on bakery performance, this study discusses the contribution of network intensity as well.

6.6.2 Network Intensity and Bakery Performance

SME networking can be influenced by the size of the firm (Machirori & Fatoki, 2013). The study informs that the relationship between network intensity and the number of customers in SME bakeries is moderated by the size of the bakery (findings on Hypothesis 5c). The study further informs that there is a positive linear relationship between network intensity and the number of customers in bakeries with a basic size (see Table 5-113). On the contrary, there is no any linear relationship existing between network intensity and the number of customers in bakeries with an advanced size (see Table 5-112). In this regard, the study concludes that network intensity strategies that are developed and executed in SMEs with a small number of employees are likely to increase their number of customers. This may be characterised by the fact that a small team is likely to have higher commitment than a large team particularly in solidifying ties with network members such as family members, friends, and other close individuals from social groups who are likely to become customers and use their influence to attract other potential network members and customers.

The study confirms that the relationship between network intensity and sales level in SME bakeries is moderated by the age of the bakery (findings on Hypothesis 5d). As noted earlier, the age of the firm plays a vital role in SME networking (Machirori & Fatoki, 2013). The study further confirms that there is a positive linear relationship between network intensity and sales level in bakeries with an advanced age (see Table 5-115). On the other hand, there is a negative linear relationship between network intensity and sales level in bakeries with a basic age (see Table 5-116). The negative relationship signifies that effective implementation of network intensity strategies leads to reduced sales performance in SMEs. The positive relationship in bakeries with an advanced age tells that network intensity strategies that are developed and implemented in SMEs that have been operating for a vast number of years are likely to increase their sales level. This may be due to the fact that SMEs that have been operating for a greater number of years such as ten years and beyond are likely to increase their capabilities on how to solidify the social ties and effectively address disputes or any network challenges with their network members than inexperienced SMEs.

This study confirms that network intensity strategies are defined by the extent to which the bakery business is well known by owners'/managers' and employees' family members, friends, and fellow members of the social groups (see Table 5-104). The study findings tell that the bakery products, processes, and operating environment in bakeries are well known and hence higher network intensity. Such awareness enables SMEs to reduce operating costs particularly those associated with marketing campaigns and initiatives. However, raising awareness about their business to their family members, friends, and close individuals in social groups should essentially start during the introduction stage of the business and increase in subsequent stages. The aim is to enable its growth and sustainability through the commitment and trust of close individuals who can influence potential customers and reduce marketing costs that tend to be high during commencement. Although entrepreneurial networks influence performance in both the introduction and growth stages of an SME (Chimucheka, 2013), bakeries can still employ advanced networking initiatives in any stage of business and attract more close individuals provided they had capabilities of marketing their business heavily in the introduction stage. Nevertheless, as suggested earlier, a strong relationship between bakeries and their networks of close individuals needs to be sustained by advanced customer service. Although they are close individuals to bakery employees and owners/managers, poor customer service may negatively affect their stay, and their commitment to connect the business to their networks.

Effective networks are sustained by mutual trust (Turyakira & Mbidde, 2015). The findings suggest that the relationship between the bakery workforce and their family members, friends, and fellow members of the social groups that is sustained by trust defines network intensity

strategies in bakeries (see Table 5-104). Trust enhances commitment and strengthens collaborations. Trust influences network members to share their opinions, and grievances with confidence that they will be considered in improving bakery products, processes, operating environment and in turn strengthens business relationships. In this regard, trust is a source of customer loyalty. It should be noted that customer relationship management practices contribute significantly to the level of trust between bakeries and their network of close individuals. Customers want to see their demands and interests being met. They also want to consume products particularly food products that have direct impact to their health from trustworthy producers. In this regard, the provision of quality products, at affordable prices, and with arrangements that suit their demands, interests, and preferences is likely to build trust between bakeries and their close individuals and hence long lasting business relationships. SMEs have the responsibility of understanding and defining trust based on the characteristics of their networks, customers, and business goals and objectives.

The findings have indicated that network intensity strategies are contributed to by the commitment of bakery owners/managers and their employees to interact with their family members, friends, and fellow members of the social groups in various social gatherings/events, and support them accordingly (see Table 5-104). These events include weddings and all their related ceremonies, burial ceremonies, graduation, birthday, and all related ceremonies, and religious events. Based on most of African cultures, these events are taken seriously by community members. Friendship and family ties are strengthened by the participation in these events. The SMEs operating in such cultures are not exceptional. Their workforce has families, friends, and members in social groups who expect their support and participation as a sign of commitment and care. In these social gatherings, new connections are developed, and the existing networks are intensified in favour of business. In this regard, the respective members of the community are likely to make particular bakeries as their main preferences. Motivated employees are likely to use their own connections, and resources to attend in these gatherings in order to advance the interests of their business. Nevertheless, bakeries can also execute corporate social responsibility initiatives by supporting the success of these events. The support can be as small as price discount for bakery products or free products that will be consumed in these events.

Misunderstandings or differences between SME workforce and close individuals such as family members, friends, or fellow members of the social groups are inevitable. However, they need to be avoided, reduced, and managed appropriately for the sake of business growth. Patience is one of the techniques that can be used to address disputes (Bengesi & Le Roux, 2014). This study confirms that bakery employees and owners/managers who heavily seek to avoid, reduce and

manage misunderstandings or differences between them and family members, friends, and fellow members of the social groups enhance network intensity strategies in their bakeries (see Table 5-104). Misunderstandings and differences weaken relationships and eventually make trust dwindle. The absence of trust drives away customer loyalty. Once misunderstandings or differences increase and parties fail to resolve them, network members are likely not to employ their personal efforts in raising awareness about the bakeries to other potential customers. Employees are also likely to avoid them and instead seek to develop networks with other people. This study suggests that these efforts would help in intensifying the existing networks had the bakeries taken measures to avoid, reduce, and manage these misunderstandings or differences from the very beginning. In this regard, bakeries need to acquire competencies and capabilities in managing conflicts especially those impacting business growth and sustainability.

The findings have also indicated that network intensity strategies in bakeries are defined by the commitment of bakeries to regularly strengthening the most benefiting relationship between their workforce and their family members, friends, and fellow members of the social groups (see Table 5-104). This tells that not every social relationship is strategic. However, social capital supports social interactions (Agyapong, Agyapong, & Poku, 2017), and ultimately these interactions can be linked to business. In this regard, the most benefiting relationships are those relationships that have been transformed from mere social ties to strategic relationships and eventually the intensification of networks takes place. Competencies in transforming social networks into strategic networks need to be acquired by both owners/managers and employees. Bakeries have the responsibility of supporting the acquisition of these skills through frequent trainings and knowledge sharing practices involving all employees. However, relationships that are considered as 'unworthy' should not be abandoned. Instead, efforts to transform them should be initiated. In case these efforts are fruitless, bakeries should use these relationships to access connections to other potential customers whose ties can be transformed from social to strategic. These efforts should be stimulated by an entrepreneurial drive within owners/managers and their subordinates.

Business conversations are crucial in SME's networking arrangements (Turyakira & Mbidde, 2015). Social networks are primarily driven by social interactions among members. Inasmuch as members interact with one another the stronger these networks become. As discussed earlier, bakery owners/managers and employees need to engage themselves in social networks so that they can broaden their bakery businesses. They need to engage in networks with their close people who are also likely to link bakeries with other potential members. This study confirms that the social relationships between bakery workforce and their family members, friends, and fellow members of the social groups needs to be sustained by frequent interactions in order to

foster enhanced network intensity strategies in bakeries (see Table 5-104). This tells that frequent social interactions intensify the bond between the interacting members. This bond can stimulate strategic collaborations and willingness to purchase and consume bakery products and support the improvement of its products, processes, and operating environment. Opportunities to interact and share experiences with close individuals should be regularly sought by SME owners/managers in order to strengthen networks that ultimately contribute significantly to the SME performance in terms of increased customers and sales. Apart from the contribution of network intensity on bakery performance, this study discusses the contribution of interdependence as well.

6.6.3 Interdependence and Bakery Performance

The study informs that the relationship between interdependence strategies and the number of customers in SME bakeries is moderated by the size of the bakery (findings on Hypothesis 5e). The study further confirms that there is a positive linear relationship between interdependence strategies and the number of customers in bakeries with a basic size (see Table 5-119). On the contrary, there is no any linear relationship existing between interdependence strategies and the number of customers in bakeries with an advanced size (see Table 5-118). In this regard, the study can conclude that interdependence strategies that are developed and executed in SMEs with a small number of employees are likely to increase their number of customers. This may be contributed to by fact that interdependence between small sized enterprises or between employees of a small sized firm and another is likely to take place smoothly and swiftly than in large entities where interdependence faces stiff bureaucracy.

The study confirms that the relationship between interdependence strategies and sales level in SME bakeries is moderated by the age of the bakery (findings on Hypothesis 5f). The study further confirms that there is a positive linear relationship between interdependence strategies and sales level in bakeries with an advanced age (see Table 5-121). On the other hand, there is a negative linear relationship between interdependence strategies and sales level in bakeries with a basic age (see Table 5-122). The negative relationship tells that effective implementation of interdependence strategies lead to a reduced sales performance in SMEs. The positive relationship in bakeries with an advanced age tells that interdependence strategies that are developed and implemented in SMEs that have been operating for a vast number of years are likely to increase sales level. This may be attributed to by the fact that SMEs that have been operating for a greater number of years such as ten years and beyond are likely to increase their competencies in establishing interdependences and manage challenges and practices involved in managing collaboration arrangements in informal and formal business environment more than

inexperienced SMEs. Additionally, the network capital is likely to be generated more by older SMEs than younger ones (Musamali & Tarus, 2013).

In order to enhance business networks, SMEs need to promote other businesses (Turyakira & Mbidde, 2015). As seen earlier, SMEs need the support of close individuals such as family members, friends, and fellow members of the social groups. Nevertheless, these individuals are also employed or run their own businesses. They also need the support from their close people working in or running businesses. In this study, interdependence strategies are translated by the willingness of bakery owners/managers and employees to support businesses especially those run by their family members, friends, and fellow members of the social groups (see Table 5-104). These businesses may be involved in selling bakery raw materials such as oil, sugar, flour and other related ingredients, or be involved in selling products that are completely unrelated with bakery business. However, bakeries may learn to link their business with any form of business run by their close persons. For example, bakeries may provide their support by becoming tenants in buildings owned by their family members, friends, and members of their social groups. Even when their close individuals own bakery business, owners/managers may find the mechanisms in which collaborations can take place such as joint purchase of bulk raw materials in order to enjoy discount. These strategies are the major components of network development initiatives in SMEs. Such interdependences build trust in social networks. They are also likely to increase collaborations among the two groups and ultimately stimulate strategic alliances or any form of business partnerships.

SMEs need networks in order to access valuable business information, opportunities, and resources (Chimucheka, 2013). The findings have also revealed that the willingness of the family members, friends, and fellow members of the social groups involving members of the bakery workforce, to share relevant information with bakeries defines interdependence practices (see Table 5-104). This informs that successful interdependence strategies are those which can influence close individuals to provide useful information that can lead to improvement of products, processes, and operating environment in SMEs. As noted earlier, knowledge management initiatives need the support of information sharing from all types of business stakeholders in order to enable SMEs make informed decisions that foster competitiveness. Their willingness to share relevant information translates the strong social and business ties defining their networks with bakery members. However, this willingness is likely to be driven by the commitment of bakery owners/managers and employees in providing similar support. In this regard, trust, and loyalty is likely to increase significantly. Loyal network members tend to become loyal customers and can influence their close people to become customers and

eventually drive bakery performance particularly in terms of both increased customers, and sales.

As it has been seen earlier, social interactions influence social ties and ultimately enhance the development of social networks. These are networks that are stimulated by trust and interdependences. This study confirms that interdependences between bakery team and their close individuals such as family members, friends, and fellow members of the social groups are defined by their willingness to act in order to please bakery employees and owners/managers (see Table 5-104). The willingness to satisfy the needs of their fellow social network members is a competitive advantage for bakeries. The needs may be in terms of valuable business information, tangible resources, or capital. The family members and friends can be the key source of capital (Thrikawala, 2011). However, it should be noted that family members, friends, and fellow members in social groups cannot continue buying products, or offering competitive prices and discounts whenever bakeries procure materials and other ingredients, or giving relevant information that will improve products, processes, and operating environment unless the bakery commitment in offering advanced customer service is guaranteed. In this regard, efforts to enhance customer relationship management practices and ability to satisfy the needs of social network members stimulate enhanced interdependence strategies that influence performance especially an increased customers, and sales. Listening and working on their advice, grievances, and interests should be prioritised in order to build their confidence and trust, and ultimately customer loyalty.

As it has been seen earlier, interdependence practices involve the commitment of one to make decisions that please the other part in social networks. The study findings confirm that the interdependence practices between the bakery workforce and their family members, friends, and fellow members in social groups are sustained by the readiness of bakery owners/managers and employees to make decisions and actions that please their close individuals (see Table 5-104). As it has been seen earlier, these actions may involve willingness to offer them special prices such as discounts, special delivery services, and support their business operations such as joint purchase, joint promotions, and joint packaging particularly when the two or more businesses are similar or relate to one another. However, the decisions to please close individuals or their businesses need to be informed and strategic. They need to focus on stimulating trust, dependability, and loyalty of families, and friends, and their respective businesses. For example, decisions that seek to please the other part may be strategic particularly when family members or friends have businesses that can become the bakery's agents or supplied with bakery products such as restaurants, hotels, schools, and other business offices. In this regard, bakeries have the responsibility of regularly analysing the needs and preferences of their close individuals and

their businesses in order to carefully address needs that can lead to the development of sustainable networks and eventually customer and sales growth. SME networks can be agents of sustainability (Jämsä, Tähtinen, Ryan, & Pallari, 2011).

Firms enter business relationships with potential customers, agents, suppliers or potential investors and partners. Such relationships enable them to access essential resources (Tehseen, Qureshi, & Ramayah, 2018). These relationships may start as social ties and eventually become strategic. Social ties may exist between decision makers in business and their close individuals such as family members, friends, and fellow members in social groups. Firms strive to transform their social networks into business connections. The motive behind these decisions is to benefit their businesses. Their businesses may benefit in terms of affordable supply of raw materials, trusted agents, and accessibility to loyal customers and committed investors or business partners. Nevertheless, in order to create sustainable relationships, family members, and friends need to benefit from these ties. They can benefit in terms of special prices, business partnerships and other forms of collaborations, credit sales, and guaranteed advanced customer service. In this regard, the two parties will depend on one another. This study confirms that the relationship between the bakery workforce and their family members, friends, and fellow members of the social groups is based on mutual benefit (see Table 5-104). This tells that networks are strengthened by business decisions that seek to benefit both network parties.

6.7 Chapter Summary

This chapter has discussed the study findings based on the variables characterising entrepreneurial strategies in bakeries, and their contribution on bakery performance. The discussion has focused on the SME environment, and the operations, initiatives, and practices of bakeries. In addition, the discussion of the findings on the relationships between independent and dependent variables is presented. Additionally, the role of the moderator variables has also been discussed. These discussions have been supported by the literature from relevant studies. In this regard, the role of bakery age, bakery size, owner's/manager's education, owner's/manager's business experience, human resource competency, and owner's/manager's gender has been discussed. Additionally, all variables defining each entrepreneurial strategy have been discussed. The discussion on the contribution of these entrepreneurial strategies on bakery performance has reflected both the research questions, and all the hypotheses. In this regard, the findings on the enhanced innovation process, customer-focused innovation, and the enhanced innovation environment, and their contribution on both output and sales levels in SME bakeries have been discussed. The findings on risk planning, risk controlling, and strategic risk initiatives, and their contribution to both cost and output levels in SME bakeries have also been discussed. Also, the chapter has presented the discussion of the findings on product,

pricing, distribution, and promotion strategies, and their contribution on both output level, and number of customers in SME bakeries. The findings on knowledge management strategies: knowledge creation, knowledge sharing, and knowledge utilisation are discussed. Additionally, the findings regarding their contribution on both cost and output levels of SME bakeries are discussed. This chapter has also discussed the findings on network formation, network intensity, and interdependence, and their contribution on both number of customers and sales level.

CHAPTER SEVEN

CONCLUSION AND RECOMMENDATIONS

7.1 Introduction

This chapter presents the summary of the findings and gives conclusion, and the recommendations. The summary of findings and conclusion is based on the contribution of each category of entrepreneurial strategies on bakery performance. Therefore, the summary of the findings and conclusion are given based on the contribution of entrepreneurial strategies on bakery performance. The summary of the findings and conclusion on the contribution of each entrepreneurial strategy under the five categories: innovation, risk-taking, marketing, knowledge management, and networking, on bakery performance are given in this chapter. On the other hand, the study recommendations are based on the managerial, and policy implications regarding the contribution of each entrepreneurial strategy under the five categories: innovation, risk-taking, marketing, knowledge management, and networking, on bakery performance. The chapter also gives the contribution of the study, study limitations, and the areas for further studies.

7.2 Conclusion

The summary of the findings and conclusion is based on the contribution of each category of entrepreneurial strategies on bakery performance.

7.2.1 Innovation Strategies and Bakery Performance

The summary of the findings and conclusion on the contribution of each innovation strategy on bakery performance is highlighted.

7.2.1.1 Enhanced Innovation Process and Bakery Performance

The relationship between enhanced innovation process and output level in SMEs has been realised (Hall, Lotti, & Mairesse, 2009). The workforce's professional behaviour, the acquired competency through training and the rewarding systems moderate the relationship between enhanced innovation process and output level in SME bakeries. There is a positive linear relationship between enhanced innovation process and output level in bakeries with advanced human resource competency but a negative linear relationship in bakeries with low human resource competency. It can be concluded that the professional training and great reward given to employees is a major driver of enhanced innovation processes that ultimately influences greater output. On the other hand, the size of the bakery moderates the relationship between enhanced innovation process and sales level. There is a positive linear relationship between enhanced innovation process and sales level in bakeries with an advanced size but a negative linear relationship in bakeries with a basic size. It can be concluded that inasmuch as the

number of employees increases in SMEs, the higher chances of acquiring innovation knowledge and experiences increases. However, it should be noted that depending on the firm's size, there are different knowledge management techniques that can be adopted. For example, Kruger & Johnson (2013) suggest that small entities mainly adopt a personal approach in knowledge sharing, whilst large entities heavily rely on technology.

Idea generation is an important ingredient in innovation process (Dorow, Dávila, Varvakis, & Vallejos, 2015). The study confirms that employees who are frequently encouraged to generate ideas play a vital role in enhancing innovation process and ultimately enable their SME bakeries to increase their competitiveness. Nevertheless, the favourable working environment in bakeries greatly stimulates idea generation. This is because; such an environment persuades employees by making them feel that they 'own' both the innovation processes and their respective bakeries and are also responsible for any business outcome.

Also, this study confirms that an innovation process is enhanced by the bakery's commitment to analysing the reasons for any improvement of its products. This commitment will have a greater impact to its competitive advantage. Research tells that such competitive advantage is driven by innovation practices and ultimately the firm's economic success is achieved (Urbancová, 2013). In that regard, bakeries are responsible for enhancing their innovation processes through gathering key marketing information that in turn, when analysed by competent staff, can increase bakery performance in terms of sales and output levels. In this regard, costs related to marketing intelligence, and those related to acquiring well trained and experienced staff are inevitable and can be easily outweighed in the long run.

The enhanced innovation process in bakeries is characterised by the need for employees to have knowledge and technical know-how in improving bakery products. These capabilities affect the output and sales levels in bakeries. In order to behave professionally, employees need training. The costs associated with training should not discourage bakeries from conducting one. Instead, low cost training models need to be adopted in order to influence employee competency. Additionally, such costs are in the long run offset by the benefits of training in improving business performance. This is because; employee training drives employee satisfaction in SMEs (Lyons & Mattare, 2011). Satisfied employees are likely to influence SME performance.

The study has also confirmed that testing the performance of any improvement made to bakery products is one of the key components defining an enhanced innovation process in SME bakeries. The testing process needs to be linked with other factors that contribute significantly to bakery performance. These include marketing factors from both internal and external environment so that improved product characteristics such as colour, texture, ingredients,

packaging, taste, appearance, and perishability reflect the level of competition, delivery systems, technology, marketing strategies, and characteristics of key business stakeholders such as customers.

Also, as it has been seen earlier, evaluating the performance of product is one of the components defining an enhanced innovation process that can contribute significantly to the SME performance in terms of increased output and sales levels. However, an evaluation process needs to be simple, and that which is able to define both performance indicators and evaluation criteria for improved bakery products. Given this scenario, effective evaluation should be integrated with marketing intelligence of bakeries. Nevertheless, it needs the commitment and involvement of the firm's top leadership (Boer & During, 2001). Apart from giving the summary of the findings and conclusion on the contribution of enhanced innovation process on bakery performance; summary of the findings and conclusion on the contribution of customer-focused innovation have also been given in this chapter.

7.2.1.2 Customer-Focused Innovation and Bakery Performance

The workforce's professional behaviour, the acquired competency through training and the rewarding systems moderate the relationship between customer-focused innovation and output level in SME bakeries. There is a positive linear relationship between customer-focused innovation and output level in bakeries with advanced human resource competency. However, the relationship between customer-focused innovation and output level in bakeries with low human resource competency does not exist. Given this context, it can be concluded that SMEs that provide their employees with professional training and relevant rewards are in a better chance of increasing their output through the contribution of well designed and implemented customer-focused innovation strategies. For example, the well designed innovation strategies are heavily influenced by idea generation from professional, and well rewarded and trained employees. This is due to the fact that, the generation of ideas is a crucial step in customer-focused innovation (Desouza, et al., 2008). On the other hand, the size of the bakery moderates the relationship between customer-focused innovation and sales level in SME bakeries. There is a positive linear relationship between customer-focused innovation and sales level in bakeries with a basic size. However, a negative linear relationship exists in bakeries with an advanced size. It can be concluded that the commitment to develop and manage innovation initiatives especially that seek to incorporate customer requirements in order to attain sales growth is likely to be shown by SMEs with a small number of employees. Nevertheless, employees in a small team tend to have a strong attachment than in big teams.

The study has given evidence that entrepreneurial strategies in bakeries include customer-focused innovation strategies. These strategies significantly influence both output and sales

performance of SME bakeries. One of the components of customer-focused strategies is integrating customers' preferences and interests in any improvement made to bakery products, or processes, or operating environment. This is because; identifying customer preferences and interests alone does not assure performance (Kumar, Venkatesan, & Reinartz, 2008). That is why such integration can only be done by bakeries whose capabilities in managing demands, internal environment, and marketing information are apparent. All these initiatives and bakery readiness to develop such capabilities are strategic investments that in turn foster bakery sustainability.

This study has found that one way of translating customer-focused innovations is when customers easily consider and understand improvements made to bakery products, or processes, or operating environment. In this regard, useful information especially the feedback received from customers is an important ingredient in the development process of customer focused innovations. Apart from feedback, customer characteristics, operating environment, knowledge and skills of employees, and the marketing initiatives play a vital role in enabling customers to consider and understand improvements made when making purchase decisions.

Customer-focused innovations are strategies that influence bakery performance in terms of sales and output levels. This is a strategy that is multifaceted. The study tells that one of its facets is innovation that improves product, or process, or operating environment for the sake of benefiting customers. It can also be concluded that benefiting customers through improved products, or processes, or operating environment consider a lot of factors such as customer characteristics, bakery's innovation capabilities, and accessibility of quality information from both internal and external environments. In this regard, bakeries have the responsibilities of enhancing their relationships with customers and internal players such as employees. Developing innovation capabilities and competencies in interacting with competitive business environments, particularly in a Tanzania's fastest growing food sector should be the main priority of Tanzania's SME bakeries.

As it has been mentioned earlier, the ability of customers to easily observe and explain about the improvements made to bakery products, or processes, or operating environment defines customer-focused innovations. This strategy, like many entrepreneurial strategies is devised by considering both market and consumer characteristics so that they can influence SME performance. SME bakeries need to acquire enough information from the markets in order to develop bakery products, and enhance processes and operating environments that can be easily noticed and explained by the customers in order to facilitate consumer buying decisions. There is a great need for SME bakeries to position their easily seen innovations as the prime factor for

purchase decisions. Under the influence of firm reputation, innovation drives customer loyalty and purchase decisions (Shiau, 2014).

There is enough evidence on the role played by feedback and suggestions given by customers for improving bakery products, processes and operating environment. These suggestions are requested by bakeries in order to get useful inputs for enhancing customer-focused innovations. Ultimately, these innovations influence the bakery's competitive advantage and growth. However, it should be noted that suggestions are given by customers who are ready and are willing to do so. In this regard, customer relationship management can influence their readiness and willingness. In order to have effective customer-focused innovations, these suggestions need to be reflected and considered in the improvement process in order to develop a strategic relationship with customers and enhance bakery reputation. In order to enhance the relationship with customers, feedback on the improvement made should also be given back to customers through viable communication strategies. Bakery employees are the ones receiving feedback from their customers. Therefore, bakeries need to ensure that the feedback is reported in the organisation. However, there should be commitment of firms to influence their employees in reporting both negative and positive feedback from customers in order to make an informed assessment and improve their capabilities respectively (Wirtz, Tambyah, & Mattila, 2010). Apart from the summary of findings and conclusion on the contribution of customer-focused innovation on bakery performance, the summary of findings and conclusion on the contribution of enhanced innovation environment is also presented.

7.2.1.3 Enhanced Innovation Environment and Bakery Performance

The workforce's professional behaviour, acquired competency through training, and the rewarding systems moderate the relationship between enhanced innovation environment and output level in SME bakeries. There is a positive linear relationship between enhanced innovation environment and output level in bakeries with advanced human resource competency. However, the relationship between enhanced innovation environment and output level in bakeries low human resource competency does not exist. It can be concluded that SMEs that provide their employees with professional training and relevant rewards are in better chance of increasing their output through the contribution of well established enhanced innovation environment. This is due to the fact that there is a link between employee performance and SME performance (Abduli, 2013). On the other hand, the size of the bakery moderates the relationship between enhanced innovation environment and sales level in SME bakeries. There is a positive linear relationship between enhanced innovation environment and sales level in bakeries with an advanced size. It has also been revealed that the linear relationship between enhanced innovation environment and sales level in bakeries with a basic size does not exist. It can be concluded that the possibility to acquire and share innovation knowledge and

experiences among a greater number of employees and utilise it to create and improve innovation environment is higher than in a small number of employees.

As noted earlier, commitments towards creating an operating environment that facilitates innovation play a significant role in defining an enhanced innovation environment strategy. Ultimately, this strategy contributes significantly to the performance of SME bakeries. However, an enhanced environment needs to be stimulated by an operating environment that encourages innovation in all aspects and operation areas of the business such as production systems and processes, policy development, product delivery mechanisms and logistics, sales management practices, and in the bakery decision making processes that is enhanced by the support from bakery owners/managers. Generally, there is a great role played by the firm's climate in influencing innovation (von Treuer & McMurray, 2012).

As it has been mentioned earlier, enhanced innovation environment in SME bakeries is characterised by appealing and personally challenging tasks. It can be concluded that employees feel to be part of an SME, and 'own' it if independence, teamwork, trust, and enhanced and participatory decision making processes prevail in an operating environment. Bakeries that allow activities such as defining tasks, and goal setting to become a prime responsibility of employees under the close supervision of owners/managers, develop a sense of bakery ownership among employees and ultimately influence them to continually opt for appealing and personally challenging duties. The success of this strategy is influenced by regular trainings, or experience sharing, and transparent discussions taking place in bakeries. This is eventually a way of stimulating entrepreneurial spirit and innovation in SMEs.

Enhanced innovation environment is characterised by the commitment of SMEs to assign tasks to employees who are motivated to carry out them. The role of the owners/managers should be to find mechanisms that influence their employees to act toward achieving a goal (Ganta, 2014). Tasks that are assigned to motivated employees are likely to be executed effectively. Assigning tasks to motivated employees require bakery owners/managers to have relevant human resource management skills. In this regard, SMEs need to develop the competencies of their owners/manages in managing people and operations since their decisions have great impact to the wellbeing of an enterprise.

This study confirms that the readiness of SME owners/managers to support ideas and other improvement initiatives from their employees translates an enhanced innovation environment. This is a strategy that defines willingness of bakery owners/managers to support innovative activities from employees and motivate them to engage more in generating innovative ideas that improve bakery products, processes, and operating environment. The owners/managers can

enhance innovation environment by influencing an innovation culture that ultimately drives a competitive advantage (Kalyani, 2011). In this regard, an enhanced innovation environment plays a vital role in guaranteeing continued commitment from owners/managers in honouring and supporting innovative initiatives established by bakery employees. It is also concluded that SME bakeries have a role to play in critically analysing such innovative initiatives in order to sustain potential ideas and innovations for stimulating growth and sustainability.

As it has been mentioned earlier, the innovation environment in bakeries is also characterised by employees' willingness to bear the result's consequences, and reveal a sense of perseverance, and tolerance whenever engaged in improving bakery products, or processes, or operating environment. This environment is characterized by entrepreneurial conducts resulting from the bakeries' willingness and commitments to create fair, transparent, and participatory decision making and improvement processes. It can be concluded that bakeries have a major role to play in creating a working environment that influences employees to feel that they 'own' the improvement process in their bakeries so that their readiness to bear the result's consequences, and reveal a sense of perseverance, and tolerance increases. The willingness to create such working environment should be pledged by owners/managers whose crucial responsibility is to develop a culture that influences and nurtures innovation (Panuwatwanich, Stewart, & Mohamed, 2008). Apart from the summary of findings and conclusion on the contribution of innovation strategies on bakery performance, the summary of findings and conclusion on the contribution of other entrepreneurial strategies (risk-taking) is also presented.

7.2.2 Risk-taking Strategies and Bakery Performance

The summary of findings and conclusion on the contribution of each risk-taking strategy on bakery performance is highlighted.

7.2.2.1 Risk Planning and Bakery Performance

The age of the bakery moderates the relationship between risk planning and cost level in SME bakeries. There is a negative linear relationship between risk planning and cost level in bakeries with a basic age. However, a positive linear relationship exists in bakeries with an advanced age. Therefore, it can be concluded that other than the mere number of years an SME has been in operation, the risk planning framework and the required competency of employees in managing risk play a vital role in promoting effective risk planning techniques that contribute significantly to cost reduction. On the other hand, the gender of the owner/manager of the bakery moderates the relationship between risk planning and output level in SME bakeries. There is a positive linear relationship between risk planning and output level in bakeries with female owners/managers. However, a linear relationship does not exist in bakeries with male

owners/managers. Therefore, it can be concluded that the role of women in risk planning processes is noteworthy.

As it has been discussed earlier, there are numerous potential hazards that may affect the operations of a bakery. It has also been realised that the bakery capabilities in foreseeing potential hazards define their enhanced risk planning strategies. As revealed earlier, these strategies contribute significantly in the reduction of both production and operating costs, and in the increase of output levels. It can be concluded that such capabilities need to be strengthened by the support of owners/managers in frequently training their workforce to develop and execute effective risk management techniques. This study suggests that the development and implementation of these techniques can be facilitated by the adoption of ERM in their bakeries. This is because; the prediction of potential hazards requires the effective integration of relevant hazard information, and bakery processes, operations, and the operating environment. Nevertheless, an effective implementation of ERM results to positive performance (Florio & Leoni, 2017).

As it has been seen earlier, the integration of potential hazards in business decisions and operations characterises enhanced risk planning strategies in bakeries. This study concludes that SMEs can plan for an effective integration process if they are capable of identifying the forms, characteristics, and sources of potential hazards, and establish the link between their incidence trends, with business data at a particular time. Business data may include employee turnover, and the number of customers, business partners, suppliers, agents, and sales, cost, and output levels. This study concludes that bakeries can effectively develop processes and strategies of integrating the potential hazards and business activities if they enhance their capabilities and commitment in adopting ERM.

As it has been discussed earlier, SMEs are likely to enter into business contracts with suppliers or business partners. The study has revealed that, risk planning initiatives in bakeries are characterised by their commitment in carrying out an in-depth analysis on the contract's anticipated risks and mutual benefits. This is because; the success of the respective business contracts depends on the integration of the qualities and capabilities of the suppliers, or business partners in the objectives and goals of the particular contracts. This study concludes that in-depth analyses should be carried out by well trained and competent people. They should also be fed by relevant information. In this regard, the study argues that the establishment of enhanced due diligence mechanisms in SMEs is an investment that should be embraced by SMEs that seek to manage risks and influence their competitiveness.

As it has been discussed earlier, SMEs need capabilities in determining whether there are any changes in their business environment that is related to pricing, technology, products, policies, and legal requirements. The capability in developing and implementing mechanisms that define and track the behaviour of the markets translates effective risk planning strategies. Ultimately, the bakery capability in controlling risks will be enhanced. This is because; risk management requires the effective collection and use of business information. It can be concluded that SMEs need frequent trainings, and enhanced practices of their workforce in order to effectively adapt to the changes in the business environment and attain competitiveness, and sustainability. However, the relevant authorities should enhance the policy development practices that seek to improve the business environments (Belás, Bartoš, Habánik, & Novák, 2014).

As it has been highlighted by the study findings, risk planning initiatives are characterised by the capability of SME bakeries in developing and using a backup plan whenever there are unexpected changes in the business and operating environment. This study concludes that these changes have to be understood and well analysed by SMEs in order to establish strategies that will address similar changes in both internal and external business environment. The availability of a backup plan defines the SME's commitment in managing risks. These commitments should be seen in enabling the respective employees to use the backup plan in managing the unexpected changes. It should however, be noted that, change management process requires the support and participation of all employees and their owners/managers in order to understand and integrate the unexpected changes from all business units. Apart from the summary of findings and conclusion on the contribution of risk planning on bakery performance, the summary of findings and conclusion on the contribution of risk controlling is also presented.

7.2.2.2 Risk Controlling and Bakery Performance

The age of the bakery moderates the relationship between risk controlling and cost level in SME bakeries. There is a negative linear relationship between risk controlling and cost level in bakeries with an advanced age. However, a positive linear relationship exists in bakeries with a basic age. Therefore, it can be concluded that the mere number of years an SME has been in operation, play a vital role in enhancing effective risk control mechanisms that contributes significantly to cost reduction. On the other hand, the gender of the owner/manager of the bakery moderates the relationship between risk controlling and output level in SME bakeries. There is a positive linear relationship between risk controlling and output level in bakeries with female owners/managers. However, a linear relationship does not exist in bakeries with male owners/managers. Therefore, it can be concluded that the role of women in risk controlling is worth mentioning.

As it has been discussed earlier, the willingness of bakery owners/managers to replace their appliances and other equipments with new ones as per technical advice enhances risk controlling strategies in their respective bakeries. It can be concluded that abiding by the technical advice allows bakeries to improve the quality of their products, and processes, and eventually complies with regulatory, health, and safety standards. There is however a challenge faced by most SMEs from the developing economies in accessing accurate information (Kazimoto, 2014; Appiah, Possumah, Ahmat, & Sanusi, 2018). SMEs need to access information on how and where they can acquire new appliances, and how to maintain them. This study argues that this challenge can be addressed by the readiness of SMEs to establish networks with all useful stakeholders such as the manufacturers and dealers of bakery equipments, rivals, and regulatory agencies. Nevertheless, attending workshops, trade fairs, and exhibitions should be the priority of SMEs in order to get access to major players in their respective industries.

This study highlights the need for bakeries to frequently evaluate the performance of contracts with suppliers, agents, or business partners in order to enhance their risk controlling strategies. This study concludes that the evaluation process should seek to improve the best practices in managing contracts. It can also be concluded that in order to successfully carry out the evaluation process, SMEs need to understand the indicators defining the performance of their contracts and analyse how they are being attained by both parties. This study argues that the effective execution of business contracts depends on the commitment of bakery owners/managers to train their employees on matters pertaining to contract evaluation, and seek and use their suggestions in the development, and execution of contracts. In this regard, risks are likely to be mitigated effectively.

The quality of the process fosters the influence of product development on business performance (Udegbe & Udegbe, 2013). As noted earlier, testing the performance of product development processes on regular basis enhances the risk controlling techniques in bakeries. It has been realised that testing the performance of the development processes is a challenging task that needs to be executed by competent workforce. It can be concluded that such competencies define bakery capabilities to invest heavily in staff development. Well trained individuals, and the capabilities of SMEs in acquiring, and applying relevant information in evaluating business processes altogether characterise the bakery's competitive advantage. In this regard, in order to compete, bakeries are forced to create learning environments that motivate employees to develop innovative solutions and risk mitigation initiatives through shared experiences and enhanced knowledge management practices.

As it has been discussed earlier, the frequent testing of the performance of the operating procedures in bakeries is one of the major components of risk control strategies. This study concludes that such tests seek to prevent operational challenges and risks in SMEs. Nevertheless, the study concludes that there is a direct relationship between the performance of the operating procedures and the success of policy development and execution procedures in bakeries. In this regard, bakeries are likely to improve their products, processes, and operating environment if they design and test their operating procedures based on the characteristics of their internal and external environment. This is because; the operating procedures should conform to the organisation policies, the working environment, the competencies of the employees, and the characteristics of key stakeholders such as customers, suppliers, agents, and business partners.

As it has been discussed earlier, customer satisfaction is heavily driven by the commitment of firms in identifying, and addressing their customer needs, interests, and preferences accordingly. Their needs and interests may be in terms of advanced customer service and fair prices (Hanif, Hafeez, & Riaz, 2010). Additionally, meeting their demands may directly or indirectly influence the improvement of firm products, processes, and operating environment. This study has highlighted that risk control strategies in bakeries are characterised by their commitment in frequently collecting feedback from customers regarding the product performance in terms of product characteristics such as price, packaging, ingredients, and taste. This study concludes that SMEs need to enhance their capabilities in collecting, and using business information related to customer satisfaction in order to devise relevant risk mitigation strategies that seek to prevent losses that would be resulted by the actions or decisions of unsatisfied customers. Apart from the summary of findings and conclusion on the contribution of risk controlling on bakery performance, the summary of findings and conclusion on the contribution of strategic risk initiatives is also presented.

7.2.2.3 Strategic Risk Initiatives and Bakery Performance

The age of the bakery moderates the relationship between strategic risk initiatives and cost level in SME bakeries. There is a negative linear relationship between strategic risk initiatives and cost level in bakeries with a basic age. However, a positive linear relationship exists in bakeries with an advanced age. Therefore, it can be concluded that other than the mere number of years an SME has been in operation, the knowledge and skills in strategic risk management practices are crucial in enhancing strategic risk initiatives that contribute significantly to cost reduction in SMEs. On the other hand, the gender of the owner/manager of the bakery moderates the relationship between strategic risk initiatives and output level in SME bakeries. There is a positive linear relationship between strategic risk initiatives and output level in bakeries with female owners/managers. However, a linear relationship does not exist in bakeries with male

owners/managers. Therefore, it can be concluded that the role of women in developing and implementing strategic risk initiatives is notable.

Understanding the rival's operations and practices enables the firm to manage issues from the external environment that are unfavourable to the firm's survival (Adom, Nyarko, & Som, 2016). This study has confirmed that the frequent execution of competitor diagnosis is one of the major components of strategic initiatives in bakeries. These initiatives seek to manage risks and influence SME performance. This performance is contributed to by the commitment of bakeries to learn from the capabilities and mistakes of their major competitors and develop strategies that will eventually improve their products, processes, and operating environment. The commitment of bakeries may be driven by motivated staff, and who are trained to manage risks that emerge from competitive and challenging business environment. This study concludes that an effective competitor diagnosis depends on the capabilities of an SME to access competitor information from reliable sources. Their access to true sources depends on the enhanced social and business relationships existing between the sources of information and the bakery. However, this study advocates the use of ethical procedures and techniques in executing competitor diagnosis.

As it has been discussed earlier, strategic initiatives in risk management are characterised by the willingness of bakery owners/managers in requesting for feedback from employees about their satisfaction level against their working environment. This study concludes that the improvements of the working environment need to consider the suggestions provided by employees regarding their interests, preferences, and wellbeing. Such commitments are likely to increase their satisfaction, motivation, and ultimately enable bakeries to manage relevant risks. One of the ways that should be used in motivating employees, and ultimately influence their positive performance, is the commitment of employers in enhancing the working environment (Al-Omari & Okasheh, 2017). Additionally, working relationships between owners/managers and their employees are the major drivers of the willingness of employees to provide true feedback, and participate in the devising and implementation of the respective solutions. This study argues that owners/managers need to enhance their information management systems in order to allow employees to provide their feedback more frequently, timely, and in ways that suit their conveniences.

As it has been discussed earlier, the findings have indicated that strategic initiatives in risk management are characterised by the willingness of bakery owners/managers to incur any additional cost to meet the demands of their customers. This study highlights that such costs should not be embedded in product prices in order to influence customer loyalty. It is further underscored that the decision to incur additional costs should be made by considering whether it

contributes significantly to the attainment of business goals such as enhanced branding, increased market share, and efficiency in both production and operations. This study argues that incurring costs in order to improve products, or business processes and operations for the aim of satisfying customer needs should be regarded as a branding initiative that is likely to influence satisfied customers to promote the business to their close individuals and potential customers.

Compliance is associated with risk management, and ethics (Benedek, 2012). This study has revealed that complying with the legal and regulatory requirements is an ethical conduct that enhances the reputation of the firm. Such compliance is defined as a strategic initiative in managing potential risks. In this regard, such risks can be managed through the willingness of bakeries to incur any additional cost for compliance. It can be concluded that noncompliance may tarnish the image of the bakery, and subsequently affect its performance. For example, once customers are aware of the noncompliance with health and safety standards, they can swiftly share such information to their existing fellow customers and other potential customers, causing the market share to dwindle at a burgeoning pace. In this regard, bakeries have the responsibility of regularly searching for updated information on the legal and regulatory requirements and act accordingly in order to safeguard their reputation from the very beginning.

The findings have also highlighted that the commitment of SMEs to invest in risky businesses that yield significant returns is regarded as a strategic initiative in risk management. This study concludes that before investing in any risky business, risk analysis should be carried out by competent individuals who have the ability to interconnect the level of risk with return. This study advocates the use of scientific approaches in analysing investments in order to prevent SMEs particularly bakeries from incurring loss and eventually destabilising their financial strength. Bakeries need to embrace the use of risk data, and marketing intelligence in making informed investment decisions and discourage mere guesses. Although outsourcing risk management advice especially on the link between risk and return is a viable idea for SMEs, this study argues that bakery owners/managers and their employees have the responsibility of undergoing basic risk management trainings in order to interpret risk reports, and make informed decisions on high risk investments.

Although the acquisition and use of big loans would be regarded as a strategic initiative for the SMEs, the study has confirmed that most bakeries do not acquire large funds such as big loans. Some perceive big loans as very risky while most of them fail to meet the respective requirements. Nevertheless, most of them are not employing necessary efforts to acquire other funding arrangements that would enable them to acquire large capital in order to broaden business investments and expansion. It can be concluded that mechanisms to acquire large funds from different funding options should be the priority of SME owners/managers. This study

suggests that the key decision makers in SMEs need to undergo frequent trainings in order to acquire basic financial management skills, and the capabilities in establishing and managing business relationships and funding networks. Through these networks, bakeries are likely to access information on the available funding options and acquire experience on business development techniques, as well as other funding arrangements other than loans. Business information is regarded as a key factor in accessing loans by Tanzanian SMEs (Magembe, 2017). Apart from the summary of findings and conclusion on the contribution of risk-taking strategies on bakery performance, the summary of findings and conclusion on the contribution of other entrepreneurial strategies (marketing) is also presented.

7.2.3 Marketing Strategies and Bakery Performance

The summary of findings and conclusion on the contribution of each marketing strategy on bakery performance is highlighted.

7.2.3.1 Product Strategies and Bakery Performance

As it has been mentioned earlier, employee training and rewards drive SME performance (Mansor, Abu, & Nasir, 2015). The workforce's professional behaviour, the acquired competency through training, and the rewarding systems moderate the relationship between product strategies and the number of customers in SME bakeries. There is a positive linear relationship between product strategies and the number of customers in bakeries with advanced human resource competency but such relationship in bakeries with low human resource competency does not exist. It can be concluded that the professional training and great reward given to employees is a major driver of product strategies that ultimately lead to a greater number of customers in SMEs. On the other hand, the practices of SME owners/managers impact their firm performance (Ng'ang'a, Ngugi, & Odhiambo, 2014). The business experience of the bakery owners/managers moderates the relationship between product strategies and sales level. There is a positive linear relationship between product strategies and sales level in bakeries whose owners/managers have an advanced business experience, while a negative linear relationship exists in bakeries whose owners/managers have a basic business experience. It can be concluded that inasmuch as the SMEs acquire more experienced leadership team, the higher chances of attaining effectiveness of product development and execution increase.

As it has been highlighted earlier, there is a great contribution of packaging in enhancing product strategies in bakeries. The study has also confirmed that bakeries concentrate on packaging in order to influence competitive advantages through appealing packaging. It has also been revealed that effective packaging is defined by its labelling style, compliance to health and safety standards, and its benefits in enhancing convenient delivery while preserving taste, aroma, and flavour. For example, labels, colour, and picture influence consumer buying

decisions (Olawepo & Ibojo, 2015). It is therefore concluded that bakeries have the responsibility of engaging in designing and development of packages in order to integrate the needs, interests, and preferences of their customers in product packaging. It is concluded that bakeries can execute both product strategies, and differentiation strategies through effective management of packaging designing and development processes.

As it has been noted earlier, new product development, and improvement initiatives characterise the product strategies in SMEs. This study has confirmed that the commitment of bakeries in adding new products in the market drives their competitiveness. It can be concluded that bakery owners/managers and their subordinates need to develop competencies especially through frequent trainings, and knowledge sharing, to manage the new product development process that is embedded with the marketing intelligence in order to reduce any associated risks. These trainings will also equip bakers to acquire new production techniques that reflect the current technology, and trends in food sector particularly the bakery industry. The addition of new products in order to satisfy the needs of consumers translates the bakery commitment in advanced customer service that can eventually lead to an increased market share.

This study defines product strategies through the commitment of bakeries in frequently removing poorly performing products from the market. As discussed earlier, bakeries consider the drop of sales as the major indicator for poor product performance without carrying out an in-depth analysis that investigates the reasons for poor sales. In this regard, there is a great danger in which a product may be dropped due to poor sales while the true analysis identifies other factors including poor customer service, or logistics management. Had the bakeries examined and addressed the causative agents of poor sales, it is possible that these products would not have been removed from the market. Tanzanian SMEs need capabilities to carry out comprehensive business analyses. Both entrepreneurship knowledge and managerial competency are needed (Anderson, 2017). It is concluded that capabilities in collecting marketing data, analysing them, and integrating them with business operations in order to make informed decisions should be the regarded as the major driver of competitiveness in Tanzanian SMEs.

This study has revealed that product strategies are defined by the bakery's commitment in stimulating product reputation. It is concluded that SMEs need to enhance the reputation of their products by investing in quality production, competent human resources, and advanced customer service. This is a huge investment for SMEs particularly bakeries. However, such an investment guarantees quality. In this regard, reputation is increased and eventually customer base and sales level rise. This is due to the fact that reputation tends to influence customer intentions (Kircova & Esen, 2018). Additionally, investing in advanced and relevant

technology, production processes, and skilled staff is not the sole factor in enhancing branding. Marketing activities such as offering relevant and affordable prices, effective logistics management, and the motivating working environment play a vital role in driving product reputation.

As it has been noted in the discussion, product strategies are defined by the commitment of bakeries to introduce product features that are customer-driven. This study concludes that bakeries have the responsibility of integrating customer relationship management initiatives with knowledge management capabilities in order to understand and apply the market trends in food sectors particularly in the production and delivery processes of bakery products. However, design skills, and capabilities to collect, analyse, and link the information from customers and the designing process, is a challenging task that requires substantial investment especially the recruitment of competent human resource and the development of effective marketing intelligence systems. Bakeries have to regard such investment as a driver of future performance, growth, and sustainability. Apart from the summary of findings and conclusion on the contribution of product strategies on bakery performance, the summary of findings and conclusion on the contribution of pricing strategies is also presented.

7.2.3.2 Pricing Strategies and Bakery performance

The working environment that benefits employees has a significant effect on an employee attitude (Anele, Tamunosiki-Amadi, & Don-Solomon, 2017). For example, the reward given to employees influences their performance (Ibrar & Khan, 2015). An employee performance influences firm success (Anele, Tamunosiki-Amadi, & Don-Solomon, 2017). The workforce's professional behaviour, the acquired competency through training and the rewarding systems moderate the relationship between pricing strategies and the number of customers in SME bakeries. There is a positive linear relationship between pricing strategies and the number of customers in bakeries with advanced human resource competency but such relationship in bakeries with low human resource competency does not exist. Additionally, it can be concluded that the professional training and appropriate reward given to employees is a major driver of pricing strategies that ultimately influences an increased number of customers in SMEs. On the other hand, the business experience of the bakery owners/managers moderates the relationship between pricing strategies and sales level. There is a positive linear relationship between pricing strategies and sales level in bakeries whose owners/managers have a basic business experience, while such linear relationship does not exist in bakeries whose owners/managers have an advanced business experience. It can be concluded that the most important requirement of effective pricing strategies in SMEs is not necessarily the vast business experience held by the

leadership. Instead, the basic business experience coupled with an understanding of customer needs and interests can be effective in establishing prices that influence greater sales.

Effective marketing practices drive customer satisfaction (Bakari, Jongur, & Kanire, 2014). This study confirms that customer satisfaction is considered by bakeries as a key factor in price setting. It can be concluded that prices of bakery products need to reflect the interests and preferences of customers especially the quality products and enhanced customer service. As highlighted earlier, quality products are translated by their freshness, original taste, flavour, and aroma. They are also defined by advanced and appealing packaging, and are delivered with an advanced customer service. This study concludes that bakeries need to acquire capabilities in understanding the perception of customers on prices, product quality, and customer service in order to integrate their perception when setting prices. Nevertheless, other factors such as the level of competition, and production costs should also be considered in order to safeguard the business interests and mission.

As it has been explained earlier, SME bakeries serve a diverse customer base. One of the effective techniques in enhancing pricing strategies is the introduction of price discounts. The discounts play a vital role in accessing new customers and markets for SMEs (Dzisi & Ofosu, 2014). This study concludes that price discounts are enjoyed by almost every class of SME customers. This tells that price discounts has implications in other business decisions. The study concludes that bakeries need to integrate their cost management techniques, management of demand and production levels, strengths and weaknesses of their rivals, and branding techniques, with their price setting initiatives in order to have informed price decisions that do not dilute business purpose and targets. Such integration is executed by the skilled workforce. Therefore, training owners/managers and their subordinates in these areas influences competitive advantages.

As it has been discussed earlier, pricing strategies are defined by the commitment of bakeries in offering market driven prices. The product prices that are influenced by market forces have several implications in business management. Depending on a situation, they may lead to an increase or decrease in sales, customers, output, and both operation and production costs. This study concludes that SMEs need capabilities in understanding the market forces influencing their business direction. These capabilities will also enable them to adjust accordingly whenever there are changes in prices. SMEs need to adapt to environmental changes and make informed decisions (van Scheers & Makhitha, 2016). In this regard, these capabilities should be defined in terms of abilities to make sound business decisions based on the inputs from their marketing intelligence. They should also be translated by the competencies of owners/managers in making accurate forecasts.

As it has been discussed earlier, customers have their own definition of quality products. It may include their preferences on health and safety concerns, and product freshness, packaging, taste, and timely delivery (Jamnani & Daddikar, 2015). This study finds that these quality characteristics need to be revealed by customers who eventually link them with the respective product price. The ability of bakeries to influence customers to link product quality with its respective prices defines effective pricing strategies. This study concludes that SMEs have the responsibility of working on the quality characteristics provided by the customers and apply them in designing and producing products. They also need to concentrate in raising awareness about the link between price and product quality in order to win the customer trust and attain competitive advantages. Effective customer relationship management techniques can enable bakeries to understand how their customers define quality.

As it has been discussed earlier, the study confirms that the ability of bakeries to set prices that are different from competitors' prices characterises effective pricing strategies. It can be concluded that the setting of unique prices stimulates SME competitiveness. The setting of competitive prices are dependent upon commitment of firms to frequently analyse market forces, their capabilities in accessing, and analysing marketing information, their owners'/managers' competencies in carrying out the competitor diagnosis, abilities to evaluate marketing activities, and bakeries' capabilities in analysing the interests, needs, and behaviours of the major business stakeholders such as customers, agents, suppliers, and business partners. Nevertheless, bakeries are advised to maintain product quality even when prices are reduced in order to compete. Apart from the summary of findings and conclusion on the contribution of pricing strategies on bakery performance, the summary of findings and conclusion on the contribution of distribution strategies is also presented.

7.2.3.3 Distribution Strategies and Bakery Performance

Investing in employee training and effective rewarding enables SMEs to gain profitability (Bryson & Forth, 2018). The workforce's professional behaviour, acquired competency through training, and the rewarding systems moderate the relationship between distribution strategies and the number of customers in SME bakeries. There is a positive linear relationship between distribution strategies and the number of customers in bakeries with advanced human resource competency but such relationship in bakeries with low human resource competency does not exist. It can be concluded that the professional training and great reward given to employees is a major driver of distribution strategies that ultimately lead to a greater number of SME customers. On the other hand, the business experience of the bakery owners/managers moderates the relationship between distribution strategies and sales level. There is a positive linear relationship between distribution strategies and sales level in bakeries whose

owners/managers have a basic business experience, while such linear relationship does not exist in bakeries whose owners/managers have an advanced business experience. It can be concluded that the most important condition of effective distribution strategies in SMEs is not necessarily the enormous business experience held by the owners/managers. Instead, the basic business experience coupled with an understanding of both the logistics in the relevant markets, and the customer needs and preferences can be effective in developing distribution networks and mechanisms that influence greater sales.

As it has been discussed earlier, this study informs that the commitment of SMEs to deliver customer orders on time is one of the major components of effective distribution strategies. An effective delivery motivates customers to purchase products (Adewale, Adesola, & Oyewale, 2013). It can be concluded that logistics management, and both timely production, and packaging, play a vital role in influencing timely delivery. Delivery options such as the use of bakery transport facilities or outsourcing have a direct impact in business. Acquisition and managing own transport facilities are risky and capital intensive decisions. However, if well implemented, they are likely to yield a greater financial return and an enhanced brand. Although outsourcing allows the bakery to shift the risks associated with managing assets, and the delivery process, and effectively concentrate on other core operations, the loss of control in delivery process may dilute its marketing initiatives that seek to enhance its brand. This study argues that the delivery strategies have to be examined before making the right choice.

The relationship between service delivery and customer satisfaction is apparent (Preko, Agbanu, & Feglo, 2014). As discussed earlier, this study confirms that the commitment of bakeries in delivering products as per customer requirements is one of the major components of effective distribution strategies in bakeries. It can be concluded that the interconnectivity of the logistics related processes such as order processing, production, and delivery is a strategic initiative that intends to meet the specific customer requirements. Although they experience limited financial resources, bakery owners/managers have the responsibility of using their resources in developing capabilities that are needed in integrating various logistics related activities under the support of appropriate management information systems. These systems will enable bakeries to link customer information, specific requirements, and their orders more efficiently.

This study suggests that the decision to bear product delivery costs defines enhanced distribution strategies in bakeries. It is argued that whether the bakery decides to bear delivery costs or conceal it in product prices, there will be some marketing implications for business. However, this study concludes that the separation of product prices from delivery costs embraces fairness in the minds of customers especially when the ‘real’ product prices and delivery costs are well known, and the bakery confirms that its delivery arrangement is not

meant to burden customers who do not need product delivery at their identified locations. This study advises bakeries to set conditions governing the delivery of products at one's identified location, such as becoming a reasonably bulk purchaser or regular individual customers in order to enhance effective cost management practices. It is argued that the motive behind establishing the difference in costs should be to bear delivery costs in order to attract more customers who would be 'forced' to become bulk purchasers or regular individual customers in the near future.

The distribution strategy that involves more distributors and agents guarantees the availability of products (Jovanov-Marjanova, Davcev, & Boeva, 2016). As it has been discussed earlier, the use of agents in distributing bakery products defines enhanced distribution strategies and acts as a major driver of market growth for SMEs. The study concludes that there is a great need for bakeries to carefully analyse the characteristics and performance of agents before entering into contracts with them. This analysis will enable bakeries to understand the type of bakery products that can be distributed by each agent, the payment mode for each agent, and identify the circumstances in which a bakery can decide to use agents or establish its sales points. The motive behind this analysis is to enable bakeries to control risks associated with the execution of the contractual arrangements between bakeries and their agents, and address the underlying challenges faced by SMEs in using agents. This analysis may be fed with information and experience from the customers, agents, competitors, suppliers, employees, and business partners.

As it has been discussed earlier, bakeries that use modern storage facilities enhance their distribution strategies. This study concludes that the capacity of these facilitates reflects the production output level, and the market size. These facilities enable a great number of consumers in a distribution network to consume tasty and fresh products and increase their loyalty. Due to their limited financial resources, SMEs may opt for a financing option that has reasonable and affordable conditions such as SME loans in order to acquire these facilities and enable bakeries to widen its markets. In this case, SME owners/managers need use well developed business plans in its investment in order to increase its competitiveness, growth and sustainability.

It has been revealed that bakeries employ every effort to reduce order processing time. Their efforts define their enhanced distribution strategies. The motive behind reducing processing time is to enable timely delivery of products and win the trust of customers. This study concludes that order processing time is contributed to by several factors such as the time spent between receiving and translating the requirements of the orders, relevant production processes and practices, packaging, and moving the products to customer's premise. In this regard, bakery owners/managers have the responsibility of developing and managing the order processing

activities by linking them with other bakery operations such as design and production, packaging, sales management, and logistics management. It is concluded that the commitment to reduce order processing time can enable SMEs to increase their customer base and sales level. Apart from the summary of findings and conclusion on the contribution of distribution strategies on bakery performance, the summary of findings and conclusion on the contribution of promotion strategies is also presented.

7.2.3.4 Promotion Strategies and Bakery Performance

The employee training and development, and rewarding systems influence employee performance (Gohari, Kamkar, Hosseinipour, & Zohoori, 2013). The workforce's professional behaviour, the acquired competency through training, and the rewarding systems moderate the relationship between promotion strategies and the number of customers in SME bakeries. There is a positive linear relationship between promotion strategies and the number of customers in bakeries with advanced human resource competency but such relationship does not exist in bakeries with low human resource competency. It can be concluded that the professional training and great reward given to employees is a major driver of promotion strategies that eventually influence a greater number of customers in SMEs. On the other hand, the business experience of the bakery owners/managers moderates the relationship between promotion strategies and sales level. There is a positive linear relationship between promotion strategies and sales level in bakeries whose owners/managers have a basic business experience, while such linear relationship does not exist in bakeries whose owners/managers have an advanced business experience. It can be concluded that the most important necessity of successful promotion strategies in SMEs is not necessarily the huge business experience held by the owners/managers. Instead, the basic business experience coupled with an understanding of both the relevant markets and their promotion practices, and the customer needs, preferences, and behaviours can be effective in developing promotion initiatives that influence greater sales.

Communicating the bakery and its products to potential customers through leaflets and brochures translates an effective promotion strategy in SMEs. This study concludes that bakery owners/managers and their subordinates have the role to play in ensuring that a great number of attractive and least expensive leaflets are produced and distributed to as many potential customers as possible in the surrounding community or beyond the respective community boundaries. Attractive leaflets and brochures are designed by bakeries that have relevant information about the industry, concerned markets, and consumer behaviours. This study concludes that owners/managers should design mechanisms that enable them to receive feedback and other relevant information from customers regarding the relevance of leaflets and

brochures and how they perceive them. This helps SMEs to make timely adjustments of their promotion strategies and save promotion costs.

The social media have been a preferred means of marketing than organisation websites and emails (Dzisi & Ofosu, 2014). As discussed earlier, bakeries use social media in communicating bakery products. To a great extent, the most preferred social media are *WhatsApp, Facebook* and *Instagram*. The motive behind this preference is the possibility of a rapid circulation of adverts or promotion messages to a great number of potential SME customers provided that the circulated message or advert is attractive, and has fallen into the hands of far-reaching social networks. This study concludes that SMEs are likely to benefit from using social media if they receive necessary training that enables them to interact and create broad social networks that involve the target market. In this regard, understanding and locating their target market is an essential task that requires the commitment and support of the SME owners/managers.

The link between personal selling and customer relationship is eminent (Anyadighibe, Awara, & Esu, 2014). The study findings have revealed that promotion strategies in SMEs are characterised by the commitment of bakery workforce to personally communicate their products to potential individual customers. In this case, owners/managers and their subordinates strive to identify potential customers, and establish interactions that seek to build business relationships and eventually sustainable networks. This study concludes that marketing trainings that seek to build SME capacity in making relationships with potential customers and win their confidence is a major driver of successful marketing practices in SMEs. Nevertheless, the readiness of bakery employees to share and discuss marketing practices and experience encountered during the execution of promotion initiatives propels the success of promotion strategies in a competitive food sector.

As it has been highlighted earlier, SMEs can communicate their products to potential agents such as restaurants, shops, food stores, supermarkets, and vendors in order to broaden their market. It is concluded that bakeries need to develop their capabilities in making business negotiations and influence the top decision makers in other SMEs and in large entities to make business decisions that guarantee mutual benefit. Their negotiation and promotion skills need to be supported by the knowledge of the respective market characteristics, and both the needs, and interests of the potential agents. This study concludes that learning environment have to be created in SMEs in order to enhance knowledge management practices that enable employees to access and utilise relevant information in making effective communications to potential business partners.

The corporate reputation can drive competitiveness of the firm (Almeida & Coelho, 2017). As discussed earlier, the reputation of the bakery is associated with its employees' reputation. Employees can drive the reputation of their firm. They act as the reputation ambassadors of their organisations (Yüksel, 2015). In this regard, bakeries can use the reputation of their workforce in promoting their products. This study concludes that an ethical workforce builds trust and dependability of customers. As discussed earlier, SME owners/managers have to cooperate with their employees in creating ethical environment that will support and simplify business activities such as promotion initiatives. This means that customers are likely to increase their confidence in the bakery products, processes, and operating environment and make purchase decisions that are influenced by the reputation of owners/managers and their employees. This is because; the reputation of an SME depends on the reputation of its staff. In this regard, effective communication of bakery products through the reputation of employees depends on teamwork spirit, and trust between employees and the owners/managers.

This study has revealed that the primary objective of SMEs should be to enhance customer relationships. This is a core duty of bakeries that seeks to effectively execute promotion strategies. Bakeries can promote their products through strong relationships with their customers (Siregar & Toha, 2012). This study concludes that customer relationships need to be intertwined with all key business functions in order to attract more customers, and satisfy the existing ones. It has been revealed that the needs, interests, and characteristics of customers have to be understood by SMEs in order to smoothly integrate their promotion strategies with their customer service. However, frequent trainings to the bakery owners/managers and their employees in understanding and applying both the nature and characteristics of both internal and external business environment in promoting bakery products need to be the priority. Apart from the summary of findings and conclusion on the contribution of marketing strategies on bakery performance, the summary of findings and conclusion on the contribution of other entrepreneurial strategies (knowledge management) is also presented.

7.2.4 Knowledge Management Strategies and Bakery Performance

The summary of findings and conclusion on the contribution of each knowledge management strategy on bakery performance is highlighted.

7.2.4.1 Knowledge Creation and Bakery Performance

The characteristics of owners/managers have a contribution on firm performance (Nimalathasan, 2008). The education of the owner/manager moderates the relationship between knowledge creation and cost level in SME bakeries. There is a negative linear relationship between knowledge creation and cost level in bakeries with the owner/manager whose level of education is basic. Nevertheless, there is no any linear relationship in bakeries with the

owner/manager whose level of education is advanced. It can be concluded that the knowledge creation strategies can be designed and be implemented by the owner/manager with basic academic qualifications and ultimately play a vital role in reducing production and operating costs in SMEs. On the other hand, the business experience of the owner/manager moderates the relationship between knowledge creation and output level in SME bakeries. There is a positive linear relationship between knowledge creation and output level in bakeries with the owner/manager whose business experience is advanced. Nevertheless, there is no any linear relationship in bakeries with owner/manager whose business experience is basic. It can be concluded that the knowledge creation strategies can be designed and be implemented by the owner/manager with an advanced business experience and ultimately amplify production in SMEs.

Through knowledge management, such as creation, and validation, firms attain competitive advantages (Zargar & Rezaee, 2013). Knowledge creation strategy contributes significantly to the reduction of bakery production and operating costs. In SME bakeries, the knowledge creation strategy is also defined by the consistent commitment of bakery employees in developing ideas that improve bakery products, or processes, or operating environment. There is a great link between idea development, creativity, and innovations. The link is supported by knowledge, experiences, skills, readiness and motivation to learn new things, and entrepreneurial spirit of the workforce including the bakery owners/managers. It can be concluded that knowledge creation initiatives in bakeries need to blend the mix between idea generation and idea development in order to influence knowledge management capabilities in bakeries and eventually drive SME performance particularly in terms of increased output levels and reduced production and operating costs.

As it has been discussed earlier, one of the drivers of knowledge creation strategy in SMEs particularly in bakeries is the commitment of SMEs to create working environment that allows employees to generate ideas in regard to the improvement of products, or processes, or operating environment. This is because; favourable working environment that stimulates knowledge creation are characterised by reward systems and policies that stimulate employees to continue engaging themselves in generating useful ideas. Apart from the policies, the environment comprises of practices, processes, and technology that support knowledge management initiatives within the firm (Detlor, et al., 2006). They also support frequent trainings, and possess well defined governance structures, and duties and responsibilities, that influence teamwork and entrepreneurial spirit among bakery employees and the owners/managers.

As it has been mentioned earlier, one of the components of the knowledge creation strategy for bakeries as highlighted in this study is the commitment of bakeries to regularly train their employees in regard to analysing information from the customers, suppliers, agents, or business partners. There is a need of employees to acquire competencies in knowledge management so that they can be able to analyse respective information from abovementioned players. Regular trainings are also necessary in enabling bakery employees to understand diverse needs and different information that are likely to be provided by customers, suppliers, agents, or business partners in different styles, and formats. Ultimately, training should also enable employees to integrate their analysis in business goals and objectives. However, appropriate trainings should be the ones carried out in an interactive way and ultimately enhance employee to acquire new knowledge, and skills (Cocuľová, 2017).

As it has been discussed earlier, the commitment of bakeries to link the employee-given ideas with those given by customers, suppliers, agents, or business partners in order to acquire a common ground is an essential driver of the knowledge creation strategy in bakeries. The aim of this link is to accommodate the diverse ideas of these stakeholders in order to improve bakery products, processes, and operating environment. It can be concluded that the established common ground needs to integrate the business goals, objectives, and capabilities of bakeries so that the strategic direction of business is safeguarded.

As it has been seen earlier, this study confirms that the willingness of bakery in establishing mechanisms that receive suggestions, complains, ideas, or any relevant information from the bakery customers, suppliers, agents, or business partners is one of the major components defining the knowledge creation strategy that influences competitiveness of bakeries. These mechanisms can be as simple as defining and placing the suggestion box in visible bakery premises or allowing the stakeholders to provide feedback or any relevant information in person. It can also be in form of contacting the bakery through communication channels that are convenient to stakeholders. However, an enhanced customer service should support these initiatives including a guaranteed confidentiality of all reported matters that involve staff discipline. The aim of these initiatives should be to enhance bakery-stakeholder relationships whose ultimate goal is to create competitive advantages. Apart from the summary of findings and conclusion on the contribution of knowledge creation on bakery performance, the summary of findings and conclusion on the contribution of knowledge sharing is also presented.

7.2.4.2 Knowledge Sharing and Bakery Performance

The education of the owner/manager moderates the relationship between knowledge sharing and cost level in SME bakeries. There is a negative linear relationship between knowledge sharing and cost level in bakeries with the owner/manager whose level of education is basic.

Nevertheless, there is no any linear relationship in bakeries with owner/manager whose level of education is advanced. It can be concluded that the knowledge sharing techniques can also be designed and be implemented by the owner/manager with basic academic qualifications and ultimately influence the attainment of SMEs' cost management goals. On the other hand, the business experience of the owner/manager moderates the relationship between knowledge sharing and output level in SME bakeries. There is a positive linear relationship between knowledge sharing and output level in bakeries with the owner/manager whose business experience is advanced. Nevertheless, there is no any linear relationship in bakeries with owner/manager whose business experience is basic. It can be concluded that the knowledge sharing strategies can be designed and be implemented by the owner/manager with an advanced business experience and ultimately increase output in SMEs. Nevertheless, the owner/manager needs to integrate his/her experience with the competencies of his/her employees. This is because; employees are generally the initiators of the knowledge creation, and sharing practices in an organisation (Austin, Claassen, Vu, & Mizrahi, 2008).

As it has been discussed earlier, the knowledge sharing strategy in bakeries is characterised by the employees' willingness to share any idea, or information that can improve bakery products, or processes, or operating environment. The improvement process requires the efforts and views of the participating players. Accessing their thoughts is facilitated by knowledge sharing. Knowledge sharing depends on teamwork among employees. Additionally, in order to have effective knowledge sharing, owners/managers have an obligation of supporting employees' initiatives to learn, and share knowledge by allowing them to participate in decision making processes in order to outweigh self-centredness among bakery employees. This is because; the knowledge management initiatives require attention to employees and their responsibilities, motivation, and their readiness to cooperate (Alawneh, Abuali, & Almarabeh, 2009).

As it has been highlighted in the discussion, open discussions on information or ideas regarding the improvement of bakery products, or processes, or operating environment define the knowledge sharing initiatives in bakeries. It can be concluded that such openness creates transparency, teamwork, and fairness in SMEs. Through these discussions, the learning process is enhanced. Open discussions develop ideas and increase employees' competencies particularly when constructive criticisms are provided and owners/managers have also participated. Their participation defines their support of knowledge sharing initiatives from employees and motivates employees to continue discussing and sharing useful ideas and information. Additionally, their participation interprets the level of trust among them. Trust among employees influences knowledge sharing initiatives in an SME (Eze, Goh, Goh, & Tan, 2013).

As it has been mentioned earlier, one of the components of knowledge sharing strategy is the capabilities of the working environment in enabling employees to share, and discuss ideas or information in regard to the improvement of bakery products, or processes, or operating environment. It is concluded that an effective working environment that facilitates knowledge sharing needs to be enhanced by the support from the leadership, reward and other relevant policies, trust, relevant technology (Eze, Goh, Goh, & Tan, 2013), and positive relationship between employees and their owners/managers, employee teamwork, learning environment, and career development prospects.

As it has been mentioned earlier, business stakeholders such as customers, suppliers, agents, and business partners play a significant role in knowledge sharing. They provide feedback, useful ideas, and relevant information that can be used to improve bakery products, or processes, or operating environment. This study confirms that the maximum interaction between employees and customers, suppliers, agents, or business partners stimulates knowledge sharing in SMEs. However, these interactions are facilitated by an enhanced relationship between bakery employees and these stakeholders. The owners/managers need to create working environment that encourages and enable employees to share critical information among them and with other stakeholders (Eze, Goh, Goh, & Tan, 2013).

This study confirms that the timely provided feedback on the progress of the employee-given/generated information is a major driver of knowledge sharing practices in bakeries. The useful ideas, suggestions, and relevant information given by employees play a vital role in improving bakery products, processes, or operating environment. In this regard, timely provision of feedback defines the bakery commitment in the improvement process that ultimately influences competitiveness. It can be concluded that, once employees receive feedback, they get an opportunity to discuss and share their experience and best practices that improve their ideas and the suggested solutions. In this regard, bakeries are advised to value employee-generated ideas by providing timely feedback so that employees can be motivated in providing more information and participate in decision making processes that seek to improve the bakery competitiveness. They can also employ initiatives to study and understand how their employees use and perceive the prevailing feedback environment (Dahling, O'Malley, & Chau, 2015). Apart from the summary of findings and conclusion on the contribution of knowledge sharing on bakery performance, the summary of findings and conclusion on the contribution of knowledge utilisation is also presented.

7.2.4.3 Knowledge Utilisation and Bakery Performance

The competency of the owner/manager is of paramount importance in managing knowledge. Effective knowledge management influences efficiency (Mohajan, 2017). The education of the

owner/manager moderates the relationship between knowledge utilisation and cost level in SME bakeries. There is a negative linear relationship between knowledge utilisation and cost level in bakeries with the owner/manager whose level of education is basic. Nevertheless, there is a positive linear relationship in bakeries with the owner/manager whose level of education is advanced. It can be concluded that the knowledge utilisation strategies can be designed and be executed by the owner/manager with basic academic qualifications and eventually lead to reduced production and operation costs in SMEs. On the other hand, the business experience of the owner/manager moderates the relationship between knowledge utilisation and output level in SME bakeries. There is a positive linear relationship between knowledge utilisation and output level in bakeries with the owner/manager whose business experience is advanced. Nevertheless, there is no any linear relationship in bakeries with owner/manager whose business experience is basic. It can be concluded that the knowledge utilisation strategies can be designed and be implemented by the owner/manager with an advanced business experience and ultimately influence an increased production in SMEs.

As it has been discussed earlier, the knowledge utilisation strategy is defined by the employees' willingness to apply any ideas, or information from their colleagues to improve products, or processes, or operating environment. It can be concluded that effective knowledge utilisation processes depend on employees' entrepreneurial spirit, their readiness to work in teams, and commitment to share and discuss information with other employees. These processes are also dependent upon the commitment shown by owners/managers in supporting enhanced knowledge management initiatives, practices, and environment. The successful execution of the knowledge practices, systems, and environment depends on the interconnectivity of knowledge management initiatives with firm priorities (Austin, Claassen, Vu, & Mizrahi, 2008).

As it has been highlighted earlier, this study confirms that, by heavily relying on the information or ideas given by customers, suppliers, agents, or business partners, bakeries enhance their knowledge utilisation strategies. There is also a great difference between these ideas and relevant information given by bakery stakeholders due to their diversified interests and demands. It is therefore concluded that competencies in analysing and intertwining such ideas and relevant information with bakery goals and objectives need to be enhanced so that bakeries can effectively manage the knowledge utilisation initiatives in the improvement processes. The management of utilisation initiatives can be of great success if employees participate fully in the actual processes. Employee participation is a major driver of successful knowledge management implementation (Yip, Ng, & Lau, 2012).

As it has been discussed earlier, effective knowledge utilisation strategies in bakeries is stimulated by bakery commitment in regularly training their employees in regard to reporting

information to the customers, suppliers, agents, or business partners. These stakeholders have different demands and preferences. One way of maintaining business relationships with key stakeholders is effective communication especially the reporting of information. These skills are of paramount importance in enabling employees to critically analyse all information and make informed decisions before reporting anything to stakeholders. This is because; the reporting techniques are linked with, and define the bakery competitiveness. Nevertheless, in order to experience a critical analysis of information, teamwork is essential. This is due to the fact that the knowledge utilisation initiatives are effective when implemented in teams (Košir, 2014).

The SMEs' knowledge capabilities are essential components in driving their effective knowledge management systems (Hussain, Yu, Wang, Si, & Ahmed, 2011). This study highlights the need for SMEs particularly bakeries to develop their knowledge utilisation strategies by focusing on enhancing their capabilities in storing, retrieving, and utilising data for improving products, or processes, or operating environment. SMEs need capabilities in managing all sorts of data that impact their performance. They also need capabilities in analysing data in order to have an effective utilisation and hence informed decisions. They also need policies that facilitate the storage, retrieval, and utilisation of data. These policies should consider the characteristics of bakeries and the execution environment. This environment includes the availability of well trained employees, and relevant and bakery-related management information systems or facilities that can effectively manage data and ultimately contribute significantly to the bakery performance and competitiveness.

The success of an enterprise can be translated in terms of its capabilities to evaluate and manage the quality of knowledge (Fathian, Sotoudehriazi, Akhavan, & Moghaddam, 2008). This study confirms that the knowledge utilisation strategies in bakeries are defined by the willingness of bakeries in regularly evaluating the impact of applying generated ideas or information from employees, owners/managers, customers, suppliers, agents, and business partners, on the improvement of products, processes or operating environment. It can be concluded that bakeries need to carry out the evaluation process in order to address the weaknesses found in their knowledge management practices and improve their capabilities in knowledge utilisation. It should however be noted that the evaluation process needs to be reflected by data collection process, analysis, storage, retrieval, and utilisation in order to have better knowledge management outcome in SMEs. Apart from the summary of findings and conclusion on the contribution of knowledge management strategies on bakery performance, the summary of findings and conclusion on the contribution of other entrepreneurial strategies (networking) is also presented.

7.2.5 Networking Strategies and Bakery Performance

The summary of findings and conclusion on the contribution of each networking strategy on bakery performance is highlighted.

7.2.5.1 Network Formation and Bakery Performance

The network formation plays a key role in influencing SME development (Thrikawala, 2011). The size of the bakery moderates the relationship between network formation strategies and the number of customers in SME bakeries. There is a positive linear relationship between network formation strategies and the number of customers in bakeries with a basic size. However, a linear relationship does not exist in bakeries with an advanced size. It can be concluded that the commitment to develop and manage network formation strategies especially that seek to incorporate the preferences of potential network members who will eventually become customers and attract other potential customers is likely to be shown by SMEs with a small number of employees. This is mainly attributed by a strong attachment between employees in a small team than in large teams. On the other hand, the age of the bakery moderates the relationship between network formation strategies and sales level in SME bakeries. There is a positive linear relationship between network formation strategies and sales level in bakeries with an advanced age. However, a linear relationship does not exist in bakeries with a basic age. Therefore, it can be concluded that SMEs that enjoy a vast number of years since the commencement of their operations are likely to attain and enhance business capabilities in managing dynamics, exploring opportunities, and combating challenges that are likely to be used to form effective networks and drive sales.

As it has been noted earlier; bakery owners/managers and employees can develop and enhance network formation strategies by raising the awareness of their business to their family members, friends, and social groups. These are the close people who can play a vital role in increasing the awareness to their families, friends, and social groups and indirectly enlarge the bakery network that ultimately influences performance particularly in terms of increased customers and sales. It can be concluded that bakeries need to form these networks by introducing their business that is grounded in customer service and delivery of product quality. This will simplify the indirect promotion of business done by family members, and friends to other people. They need also to create motivating working environment in their business in order to drive their employees' commitment in promoting their bakery business to as many close people as possible.

As it has been noted earlier, network formation strategies are characterised by the commitment and eagerness of bakery employees and owners/managers in understanding the interests of their family members, friends, or fellow members of the social groups in relation to their business.

They can attain this objective through regular interviews to their network members, and rely on the feedback provided that can be used in improving bakery products, processes, and operating environment. Business stakeholders can provide useful feedback that can be used to accelerate business growth (Mayer, Harima, & Freiling, 2015). It can be concluded that by understanding their interests and preferences, and integrate them in business objectives and goals, and use them to make improvements, bakeries are likely to expand their networks through the influence of the satisfied family members, friends, or fellow members to other people outside the network.

The findings have also confirmed that the network formation strategies in bakeries are defined by the readiness of bakeries in frequently training their employees and owners/managers on communication, and relationship skills. It can be concluded that effective relationship management and communication with potential network members play a vital role in broadening the networks. Through these skills, awareness on bakery products, processes, and operating environment is raised and the needs, interests, and preferences of potential network members are well understood and addressed. Additionally, by acquiring such competencies, the interactions with potential members and the provision of advanced customer service are guaranteed, and eventually the potential members' needs, interests, and preferences are integrated in business goals and objectives, and hence competitiveness is achieved.

As it has been highlighted earlier, networks are developed through the commitment of SMEs in regularly creating new relationships with individuals who are not family members, friends, or fellow members of the social groups. This study concludes that frequent trainings offered to both owners/managers and employees should focus on enabling the bakery workforce to establish social interactions, manage, and sustain them. However, these relationships should be created, managed, and sustained by the motivated workforce and self-driven individuals. Provision of favourable working environment is the major solution. This is because; the motivated workforce is likely to effectively execute their tasks and ultimately drive organisational effectiveness (Manzoor, 2011). This environment will also enable employees to share their experiences in creating new interactions and ties and subsequently get an opportunity to develop solutions against the prevailing hurdles.

This study has also highlighted that network formation strategies are defined by the bakery commitment in creating interactions with individuals based on the connections made by family members, friends, and fellow members of the social groups. It can be concluded that, the satisfied customers are likely to refer bakery employees and owners/managers to other potential customers. Through such reference, bakeries get an opportunity to interact with potential network members, understand their demands, and preferences, and ultimately serve them accordingly. SMEs need to blend the demands and preferences of their family members, friends,

and members of social groups with those of the newly connected network members so that the service offered is not discriminatory and can be used to attract more network members. Apart from the summary of findings and conclusion on the contribution of network formation on bakery performance, the summary of findings and conclusion on the contribution of network intensity is also presented.

7.2.5.2 Network Intensity and Bakery Performance

The size of the bakery moderates the relationship between network intensity and the number of customers in SME bakeries. There is a positive linear relationship between network intensity and the number of customers in bakeries with a basic size. However, a linear relationship does not exist in bakeries with an advanced size. It can be concluded that social and business ties are likely to be solidified in relationships that are managed by a small team of committed SME employees. The sharing of network knowledge and experience among a small team of employees can take place smoothly and swiftly, and eventually enables SMEs to improve their social and business relationships that attract more customers. On the other hand, the age of the bakery moderates the relationship between network intensity and sales level in SME bakeries. There is a positive linear relationship between network intensity and sales level in bakeries with an advanced age. However, a negative linear relationship exists in bakeries with a basic age. Therefore, it can be concluded that SMEs that enjoy a vast number of years since the commencement of their operations are likely to acquire business capabilities in managing network challenges and develop mechanisms to strengthen the ties with their fellow network members such family members, and friends, and other colleges from their social groups and employees of the similar or related business.

As it has been seen earlier, the network intensity in bakeries is characterised by the extent in which bakery products, processes, and operating environment are well known by close individuals to the owners/managers and employees such as family members, friends, and fellow members of the social groups. A network that involves close persons such as family members is likely to be strong (Mayer, Harima, & Freiling, 2015). SMEs that raise awareness about their businesses to close individuals during start-up stage are likely to develop strong networks that can be used to market the business to other potential customers and significantly reduce promotion costs. However, it has been concluded that awareness to close individuals need to be a continued process in succeeding stages. In order to increase network intensity, bakeries are also advised to provide superior customer service in all stages of business. This is because; poor service does not influence performance even if the business is well known by customers.

As it has been discussed earlier, an effective relationship between bakery members and their families, friends, and fellow members of the social groups that is sustained by trust is a major

component of network intensity strategies. It can be concluded that this relationship is likely to be the source of commitment and collaborations, and a platform where challenges, problems, opportunities, and best practices will be shared by network members in order to improve bakery products, processes, and operating environment, and ultimately drive customer loyalty. It should be noted that effective networks are sustained by commitment from both parties, and their willingness to share knowledge (Turyakira & Mbidde, 2015). This study concludes that trust is stimulated by enhanced customer relationship management initiatives that seek to satisfy the needs of network members. In competitive business environment especially in food sector where interests, demands, and preferences are significantly dynamic, trust should be defined in accordance with business plans, and the nature of networks and customers in order to improve business relationships.

This study confirms that the readiness of bakery workforce to interact with their family members, friends, and fellow members of the social groups in various social gatherings/events, and support them accordingly defines their network intensity practices. It can be concluded that, bakeries need to support and participate in these events in order to intensify their networks with culture-sensitive network members. The support of bakeries can be twofold. First, they need to create motivating workplaces in order to stimulate their employees to link their families, friends, and members of their social groups in their bakeries. Secondly, the direct support from bakeries provided in these events such as freely given products or price discounts, needs to be encouraged whenever social events involving their employees and their close individuals take place.

As it has been highlighted earlier, unmanaged misunderstandings or differences between bakery team and their family members, friends, or fellow members of the social groups tend to weaken networking strategies. The findings have confirmed that in order to enhance network intensity strategies in bakeries, employees and owners/managers should profoundly seek to avoid, reduce and manage misunderstandings or differences between them and family members, friends, and fellow members of the social groups. In this regard, bakeries have the responsibility of developing and instituting conflict management techniques in avoiding, reducing, and managing misunderstandings or differences from the very beginning. One of the techniques is patience (Bengesi & Le Roux, 2014).

As it has been discussed earlier, the willingness of members of bakery staff to regularly intensifying the most benefiting relationship between them and their family members, friends, and fellow members of the social groups characterises network intensity strategies in bakeries. In this regard, there have always been business motives behind the establishment of social ties with close individuals. It can be concluded that bakeries need capabilities in devising and

managing techniques that can integrate social interactions and ties with business goals and objectives. These capabilities can be acquired by bakeries through frequent trainings offered to employees and owners/managers. The process of intensifying networks should be driven by an entrepreneurial spirit that regards all social networks as strategic connections.

As it has been discussed earlier, the strengths of SME's social networks depend on the frequency of social interactions between SME workforce and their close individuals. This means that network intensity strategies are stimulated by social relationships that are sustained by higher frequency of social interactions between bakery owners/managers, and employees, and their family members, friends, and fellow members of the social groups. It can be concluded that bakeries have the responsibility of encouraging their staff to create social relationships sustained by maximum social interactions that foster strategic and business benefiting ties. Through these frequent social interactions, bakeries will ultimately understand their weaknesses and strengths and ultimately influence the improvement of their products, processes, and operating environment. The motive behind these interactions should be the win-win situation (Garbelli, 2016). Apart from the summary of findings and conclusion on the contribution of network intensity on bakery performance, the summary of findings and conclusion on the contribution of interdependence is also presented.

7.2.5.3 Interdependence and Bakery Performance

The size of the bakery moderates the relationship between interdependence strategies and the number of customers in SME bakeries. There is a positive linear relationship between interdependence strategies and the number of customers in bakeries with a basic size. However, a linear relationship does not exist in bakeries with an advanced size. It can be concluded that low bureaucracy in small sized enterprises is likely to foster more interdependence and eventually increase more customers in small sized enterprises than in large entities where bureaucracy is stiff. On the other hand, the age of the bakery moderates the relationship between interdependence and sales level in SME bakeries. There is a positive linear relationship between interdependence and sales level in bakeries with an advanced age. However, a negative linear relationship exists in bakeries with a basic age. Therefore, it can be concluded that SMEs that enjoy a vast number of years since the commencement of their operations are likely to acquire competencies in managing challenges and opportunities emanating from interdependences and other related collaboration arrangements in informal and the formal business environment in which most of the SMEs operate.

The study has also confirmed that the willingness of bakery owners/managers and employees to support the businesses run by their family members, friends, and fellow members of the social groups defines interdependence initiatives. Supported businesses may be bakery or non bakery

enterprises. Although they are non bakery businesses, they may be related in terms of supplying bakery raw materials, and other ingredients. Nevertheless, in case the close individuals own bakeries, the owners/managers should not make them rivals, rather partners. For example, they may collaborate in developing and executing marketing initiatives (Haugum & Grande, 2017), and have joint production, or packaging. Capabilities in carefully analysing the potentiality of the forms of support need to be acquired by bakeries in order to create value for the resources spent. Interdependences allow SMEs to increase their customer base, and eventually sales performance. Through interdependences, bakeries are likely to develop effective business networks that can stimulate diversification, alliances, and ultimately growth and sustainability.

As it has been discussed earlier, readiness to share information shown by family members, friends, and fellow members of the social groups involving SME owners/managers and employees characterises interdependence initiatives. These are initiatives that stimulate network strategies in bakeries. The relevant and useful information are given by network members in order to intensify their business networks and eventually improve products, processes, and operating environment in SMEs. It can be concluded that information sharing practices from close individuals need to be enhanced and integrated in bakeries knowledge management systems in order to facilitate informed decision making processes in bakeries. Additionally, interdependences grounded in knowledge sharing stimulate sales performance and increased customer base.

As it has been discussed earlier, interdependences between bakeries and close individuals to bakery owners/managers, and employees, such as family members, friends, and fellow members of the social groups are characterised by the latter's readiness to act in order to please their close persons who are employees and owners/managers in bakeries. Pleasing the bakeries can be in terms of supplying materials at affordable and special prices, or purchasing bakery products, or providing relevant suggestions that can stimulate improvements in bakery products, processes, and operating environment. This study concludes that interdependences enhance networks between bakeries and their close people. It also confirms that bakeries have the responsibility of honouring and maintaining such trust shown by their families and friends through the provision of advanced customer service that satisfies their close persons' needs, interests, and preferences. The study findings have also confirmed that interdependence is defined by readiness to act in order to please the other part in social networks. In this regard, it is concluded that bakery employees and owners/managers are ready to do things that please their family members, friends, and fellow members of the social groups as an initiative of intensifying interdependences from potential customers, agents, suppliers, or business partners. Satisfying the needs of network members depend on capabilities of SMEs in making critical and in-depth

analysis of the respective needs, and their impact in business such as an increased performance or improvement of products, processes, and operating environment. SMEs can gain these capabilities by training their workforce, through commitment in sharing information and experiences, and by creating entrepreneurial and motivating workplaces.

The motive behind networking is the attainment of mutual benefits (Turyakira & Mbidde, 2015). The study has also revealed that the interdependence between bakeries and their family members, friends, and fellow members of social groups is based on mutual benefit. In this regard, their interdependences are strategic relationships that seek to maximise the competiveness of bakeries and the businesses of network members or their personal goals. It can be concluded that bakeries need capabilities in analysing the initiatives, operations, and decisions that can create mutual benefits and take appropriate actions. These capabilities are driven by the readiness of owners/managers to involve their subordinates in key decisions engaging the intensification of social networks. It should be noted that participatory decision making processes motivate employees to connect their families and friends with their employers. In this regard, rewards, and motivating working conditions need to take place in bakeries. Apart from the summary of findings and conclusion on the contribution of entrepreneurial strategies on bakery performance, the recommendations based on the managerial, and policy implications regarding the contribution of entrepreneurial strategies on bakery performance are made.

7.3 Recommendations

The study's recommendations are based on the managerial, and policy implications regarding the contribution of entrepreneurial strategies on bakery performance.

7.3.1 Innovation Strategies and Bakery Performance

The study recommendations are based on the managerial, and policy implications regarding the contribution of each innovation strategy on bakery performance.

7.3.1.1 Enhanced Innovation Process and Bakery Performance

It has been revealed that the workforce's professional behaviour, the acquired competency through training, and the rewarding systems moderate the relationship between enhanced innovation process and output level in SME bakeries. The positive linear relationship between enhanced innovation process and output level in bakeries with advanced human resource competency suggests that SMEs need to frequently train their employees and develop relevant and attractive packages that will eventually motivate their employees to effectively facilitate the innovation processes and increase their production. This is because; employee training and reward have a significant influence on innovation (Shipton, West, Dawson, Birdi, & Patterson,

2006). On the other hand, it has been revealed that the size of the bakery moderates the relationship between enhanced innovation process and sales level. The positive linear relationship between enhanced innovation process and sales level in bakeries with an advanced size suggests that SMEs with a considerable number of employees should develop mechanisms that will involve all their employees in the innovation processes so that to blend their vast innovation knowledge and experience and apply them in fuelling sales performance. Similar mechanisms should also be applied in SMEs with basic size. This is due to the fact that in competitive business environment, collective knowledge needs to be applied in business operations in order to create economic benefits (Akram, Siddiqui, Nawaz, Ghauri, & Cheema, 2011).

Since enhanced innovation process is linked to idea generation particularly from employees, bakery owners/managers need to embrace working environment that stimulate idea generation. They should avoid being the sole idea generators in their bakeries in order to pave way for an innovation process that is internalised by their employees. They need as well to incorporate the ideas generated by employees in enhancing an innovation process so that they can continue enjoying repetitive idea generation from their employees. These employees are the ones who manage all the business operations in their bakeries. In this regard, their useful ideas need to be incorporated in respective innovation processes in order to guarantee long lasting competitive advantages in SME bakeries. SME owners/managers may also develop a rewarding policy for all useful ideas that contribute significantly to the bakery performance. There is evidence in which firms that fail to integrate their human resource policies with innovation practices barricade idea generation and implementation (Searle & Ball, 2003).

In order to enhance their innovation processes through analysing reasons for any improvement made to their products, SMEs need both competent staff and capabilities in managing marketing intelligence. Bakeries need to employ their efforts in offering necessary and frequent training to their staff, and manage the recruitment and selection process in order to acquire employees who are able to gather, and analyse relevant reasons for product improvement. The government needs to provide marketing assistance to SMEs (Osei, Forkuoh, Shao, & Osei, 2016) and design and implement mechanisms that allow SMEs to easily and freely access important marketing information in order to spend less in marketing intelligence. This is because; the success of such analysis depends on the quality of the information gathered and utilised.

Due to their size, and financial constraints, SME bakeries in Tanzania need to adopt affordable and effective training programs that will enable their employees to foster enhanced innovation processes that improve bakery products. The owners/managers need to prioritise training and other techniques geared towards influencing the competency of bakery workforce during the development of SME budget. They should not perceive training as wastage of financial

resources. Instead, training should be considered as a strategic driver of results and bakery performance in terms of both increased output, and sales levels. It is argued that the success of innovation execution is linked to the competency of the manager (Szczepańska-Woszczyna & Dacko-Pikiewicz, 2014). Institutions that promote entrepreneurship should employ their efforts in designing and sponsoring training programs to SMEs in order to enable them enhance innovation process in improving their products. Similar support should also come from study policy development entities including the government since the increase in production of bakery products, and sales benefits her in terms of tax revenue and eventually improves the living standard of her own people.

It has been concluded that testing the performance of any improvement made to bakery products before they are delivered in the market is an essential component in an enhanced innovation process. This study urges bakery owners/managers to design and implement an effective testing mechanism that is able to foresee the performance of improved bakery products in the markets. An effective testing mechanism needs to be linked with bakery marketing intelligence so that improvements made are the ones reflecting the needs and preferences of the market. This will help the bakery to control risks associated with product failure. Risk is an essential factor in the examination of an innovation (Townsend, 2010). SME bakeries need not to be discouraged with costs related with testing the performance of improved products. They can outweigh such costs by implementing simple testing initiatives such as offering free bakery products with their respective prices to friends, family members, bakery employees, and a few selected customers so that they can receive feedback that is useful in making informed decisions.

The study tells that an enhanced innovation process is enriched by the frequent evaluation of the performance of improved bakery products. In order to outweigh costs related to evaluation process for improved bakery products, both performance indicators and evaluation criteria need to be well defined. The process should also be simple. In this regard, owners/managers need to train their employees so that they can efficiently manage the evaluation process. The training will also provide them with capabilities to integrate marketing intelligence with an evaluation process. They are also likely to design a simple evaluation process that is cost effective. That is why; research tells that SME owners/managers have the responsibility of assessing their innovation capability before measuring their innovation performance (Saunila, 2017). Nevertheless, this study urges research and academic institutions that are involved in entrepreneurship, and the food sector to design evaluation processes that are simple and can be managed by SMEs particularly SME bakeries in a developing economy such as Tanzania. They can also offer necessary training to bakery employees on how to manage their marketing intelligence and link them with their respective evaluation processes. Apart from the recommendations based on the managerial, and policy implications regarding the contribution

of enhanced innovation process on bakery performance, the recommendations are also made regarding the contribution of customer-focused innovation.

7.3.1.2 Customer-Focused Innovation and Bakery Performance

Job satisfaction, firm commitment, and capabilities of employees to understand customer needs and link them in idea generation play a vital role in improving innovation (Lages & Piercy, 2012). It has been confirmed that the workforce's professional behaviour, the acquired competency through training, and the rewarding systems moderate the relationship between customer-focused innovation and output level in SME bakeries. The positive linear relationship between customer-focused innovation and output level in bakeries with advanced human resource competency suggests that SMEs should continually invest in developing their employees' capabilities and their welfare in order to improve their customer-focused innovation and eventually influence their production performance. On the other hand, it is confirmed that the size of the bakery moderates the relationship between customer-focused innovation and sales level in SME bakeries. The positive linear relationship between customer-focused innovation and sales level in bakeries with a basic size suggests that SMEs with a small number of employees should develop initiatives that seek to solidify the bond and a teamwork spirit among their employees in order to influence their commitment in designing and executing promising customer-focused innovation strategies that drive sales performance.

As it has been noticed earlier, one of the components of customer-focused strategies is integrating customers' preferences and interests in any improvement made to bakery products, or processes, or operating environment. This is a key influence of customer satisfaction, and ultimately customer loyalty. This study suggests that an effective mechanism that collects useful information from customers should be created so that innovations made in bakeries reflect customer choices. SME bakeries need to customise their products, processes, and operating environment to suite customer needs. They need to develop capabilities through frequent training, and shared job experience in order to integrate the preferences and interests of customers with improvement made to bakery products, or processes, or operating environment. Simple mechanisms that facilitate such integration can be managed by viable solutions created by key players in the industry such as individual developers or respective research and academic institutions at affordable costs. In this regard, bakeries need to enhance their relationship with all stakeholders including solution developers and trainers.

In order to have customer-focused innovations that enable customers to easily understand improvements made to products, or processes, or operating environment, bakeries need to consider customer characteristics, technology, information from the business environment, employee competency, as well as production, logistical, and sales management capabilities in

bakeries. Customer relationship management needs to be instituted by bakeries in order to familiarise customers with improvements made to their products, or processes, or in bakery's operating environment. Customers who understand such improvements are in a good position of making informed decisions and indirectly help the bakery to 'market' the respective improvements to other potential customers. Again, bakeries need to enable their employees especially through frequent trainings so that they can attain knowledge and skills necessary in designing and instituting improvements that are well understood by customers and are used by bakeries to influence customers make purchase. Through employee training, customers become satisfied (Fah & Voon, 2016).

Improvements made to bakery products, or processes, or operating environment should benefit customers in order to enhance customer-focused innovations in bakeries. Bakeries need to concentrate on collecting information that defines customer interests so that they can regularly be used in improving products, or processes, or operating environment and benefit them. They also need to link their improvements with customer characteristics, and both internal and external environmental forces such as competition, pricing, technology, trends, logistical systems, and bakeries' strategic plans. They also need to enhance their relationships with customers and internal players such as employees. Owners/managers have a role to play in ensuring that innovation capabilities and competencies in interacting with competitive business environment are enhanced. They need to enhance their employee's customer-focused attitudes (Gebauer & Kowalkowski, 2012). In order to outweigh costs related to capability development, bakeries need to encourage on job trainings, sharing of experience among employees, and team spirit at workplace. This is possible if bakeries invest in creating conduce working environment.

The study has also confirmed that increased sales and output levels in bakeries is contributed to by customer focused innovation strategy that is translated by the ability of customers to easily observe and explain about the improvements made to bakery products, or processes, or operating environment. This study suggests that in order to have desired results and outcome, SME bakeries need to initiate improvements that integrate market and consumer characteristics in terms of knowledge, understanding, experience, and exposure. Through market analyses, SME bakeries will be in better position of improving existing products, processes, and operating environment by accommodating the demands of the sectors. Bakeries need to regularly strive to understand trends in the markets so that they can acquire customer opinions and information pertaining to their changing behaviours towards improvements made on products, processes, and operating environment. Improvements made should be well promoted so that customers can easily notice and explain about various changes pertaining to products, procedures, and

convenience such as tastes, size, price, packaging, health compliance, texture, appearance, customer service, and compliance in safety standards.

In order to realise fruitful customer-focused innovations in bakeries, it has been realised that customers should be requested to suggest any area of improvement in regard to bakery products, or processes, or operating environment. In this regard, this study suggests that bakeries need to diligently persuade customers to give their suggestions, and regularly collect their opinions in a way that is convenient to them. Regular trainings that aim at developing bakery capabilities and competencies of their employees in timely analysing suggestions and feedback provided by customers should be instituted by bakeries and be considered as strategic investment. Thereafter, bakeries need to utilise customer suggestions in improving bakery products, or processes, or operating environment. Additionally, this study advises bakeries to develop effective communication means that directly or indirectly informs customers on how their suggestions have been considered and are an integral part of the improvements made. This study recommends such initiatives to take place frequently in order to influence effective relationships with customers, command customer loyalty, and retain them. These initiatives should be carried out by committed employees. The committed employees play a vital role in driving customer satisfaction (Chopra, 2014). Apart from the recommendations based on the managerial, and policy implications regarding the contribution of customer-focused innovation on bakery performance, the recommendations are also made regarding the contribution of enhanced innovation environment.

7.3.1.3 Enhanced Innovation Environment and Bakery Performance

It has been revealed that the workforce's professional behaviour, the acquired competency through training, and the rewarding systems moderate the relationship between enhanced innovation environment and output level in SME bakeries. The positive linear relationship between enhanced innovation environment and output level in bakeries with advanced human resource competency suggests that SMEs should employ their resources in improving the competency, and wellbeing of their employees in order to establish and enhance innovation environment that will eventually influence their production performance. Employee training should be regarded positively by organisations that strive to satisfy their customers and attain both efficiency, and productivity (Landa, 2018). Additionally, employee motivation in terms of appealing remuneration drives employees' performance (Ojeleye, 2017). On the other hand, it has been revealed that the size of the bakery moderates the relationship between enhanced innovation environment and sales level in SME bakeries. The positive linear relationship between enhanced innovation environment and sales level in bakeries with an advanced size implies that SMEs that employ a great number of employees need to create workable policies

that will attract the participation of their employees in utilising their vast knowledge and experience in the establishment of favourable innovation environment that will eventually drive an increased sales performance.

As it has been mentioned earlier, bakeries need to stimulate an operating environment that facilitates innovation in order to devise effective enhanced innovation environment strategy. This study recommends that bakeries need to understand and clearly analyse their operating environment so that they can be able to intertwine innovation initiatives with their respective operating environment. Their analysis should base on challenges facing their operating environment, and how to address them. They also need to strengthen their innovation capabilities based on the opportunities their operating environment offer. In this regard, they need to employ their efforts in creating operating environment that encourages innovation initiatives in production systems and processes, policy development, product delivery mechanisms and logistics, and sales management practices. Bakeries particularly SME bakery owners/managers need to involve and seek support from employees in creating an environment that facilitates innovation through a participatory decision making process. Entrepreneurial spirit among employees as well as owners/managers is a prime factor in creating such an environment. This study recommends that in order to guarantee effective decision making processes that enhances innovative operating environments, bakeries have a sole responsibility of instituting governance mechanisms that encourage teamwork, fairness, transparency, participation, and accountability.

As it has been noted earlier, it has been revealed that in order to attain competitiveness that is influenced by enhanced innovation environment; bakeries need to encourage their employees to perform tasks that are appealing and are personally challenging. In order to stimulate such employee interests, this study recommends that bakery owners/managers should be able to link employee competencies and respective challenging tasks. Additionally, they need to ensure that these tasks align with the interests of employees, and are somewhat exceeding his/her knowledge and skills in order to make them appealing and challenging tasks that eventually stimulate an entrepreneurial spirit among employees. Nevertheless, bakery employees need to participate fully in defining their tasks, goals, responsibility, and accountability. Although they need to work under close supervision, this study suggests that a sense of independence needs to be encouraged. SMEs need to stimulate teamwork at workplace and allow their employees to have full participation in decision making processes in order to develop trust among key innovation players in bakeries. The major objective of this strategy should be to influence employees feel that they own bakery operations and are the major drivers of success in their

SMEs. In this regard, owners/managers need to foster a working environment that supports and encourages transparency.

In order to attain a positive SME performance particularly in terms of sales and output levels, an enhanced innovation environment should be improved. Such improvement should be translated in terms of bakery commitment in assigning tasks to employees who are motivated to perform them. This study recommends that tasks should be assigned to employees who are motivated to perform them. The bakery owners/managers should also develop and manage mechanisms that seek to identify factors influencing their employees' motivation. This is because; drivers of employee motivation depends on employee characteristics, owners/managers decisions, characteristics of an operating environment, the nature of business, rewards systems, and decision making processes in bakeries. It is recommended that owners/managers need to undergo necessary human resource management trainings in order to design and assign tasks that help the bakery to attain its strategic objectives and increase their employees' motivation. This study advises bakery owners/managers to foster transparency and participatory spirit in their decision making processes. SMEs should also find ways that strengthen the employer-employee relationships in order to acquire necessary information that helps them to understand the drivers of their employees' motivation. That can be possible if there is learning and sharing of information between employees and their owners/managers (Dewydar, 2015).

As it has been noted earlier an enhanced innovation environment is also characterised by readiness of SME owners/managers to support ideas and other improvement initiatives from their employees. In order to enjoy receiving ideas and other improvement initiatives from their employees, the study suggests that bakery owners/managers need to honour these initiatives by showing their commitment in supporting their employees' innovations but also creating mechanisms that reward promising ideas. The rewarding systems should seek to recognise the employee contribution and motivate them (Holzmann & Golan, 2016). Furthermore, the owners/managers need to develop strong relationships with their employees by encouraging teamwork that fosters transparency and critically analyses those ideas with an intention of sharpening them. The main strategy adopted by bakeries should be to embrace every idea or innovative initiative suggested by their employees. Additionally, bakeries need to create governance mechanisms that encourage and support interaction of employees with bakery management in order to stimulate an increased commitment to embrace and support employees' ideas and innovation initiatives in a transparent manner and with fairness.

Stimulating employees' readiness to bear the result's consequences, and reveal a sense of perseverance, and tolerance is not an easy task. This is because; such willingness is intertwined with an entrepreneurial spirit that is not easy to stimulate as well. Nevertheless, such readiness

influences an enhanced innovation environment. In this regard, the study recommends an inclusive decision making process whenever engaged in improving bakery products, or processes, or operating environment. Although the owners/managers have a key role to play in managing all the business operations in SMEs, they need to cooperate with their employees in managing the innovation process so that employees can feel that they are responsible in whatever results and outcomes realised. This will eventually increase their motivation in managing innovation and improvement processes in their respective bakeries. The bakery owners/managers have to develop employees' capabilities in evaluating process outcomes in order to minimise risks that would discourage their perseverance, and tolerance spirits. Again, employees should be rewarded and appreciated when results and outcomes are positive so that their commitment can prevail even when there are unfavourable results and outcomes. Both rewards and appreciation are likely to influence employee motivation and ultimately an increased productivity (Baskar & Rajkumar, 2015). Apart from the recommendations based on the managerial, and policy implications regarding the contribution of innovation strategies on bakery performance, the recommendations are also made regarding the contribution of other entrepreneurial strategies (risk-taking).

7.3.2 Risk-taking Strategies and Bakery Performance

The study recommendations are based on the managerial, and policy implications regarding the contribution of each risk-taking strategy on bakery performance.

7.3.2.1 Risk Planning and Bakery Performance

It has been confirmed that the age of the bakery moderates the relationship between risk planning and cost level in SME bakeries. The negative linear relationship between risk planning and cost level in bakeries with a basic age suggests that SMEs need to enhance their knowledge and skills in risk planning notwithstanding the number of years they have been in operation. Nevertheless, they need to adopt an enterprise risk management in order to facilitate their risk planning processes. On the other hand, it is confirmed that the gender of the owner/manager of the bakery moderates the relationship between risk planning and output level in SME bakeries. The positive linear relationship between risk planning and output level in bakeries with female owners/managers suggests that SMEs need to analyse and integrate the role of gender in risk planning in order to effectively influence an increased output level.

As it has been concluded earlier, there are different hazards that affect bakery performance. Unless these hazards are predicted, bakeries are likely to face challenges in controlling them. This study has highlighted that effective risk planning strategies in bakeries are defined by their capabilities in foreseeing potential hazards. This study recommends that the owners/managers need to adopt ERM in order to facilitate the processes, and techniques in managing hazards.

They need to support the development of information systems that will enhance the collection, storage, and effective utilisation of relevant business and risk data in managing the hazard prediction processes. Bakeries need the capabilities in integrating the bakery operations, and operating environment in the adopted ERM. Given this need, this study urgues SMEs to frequently train their people on the need to define hazards and their underlying causes, and how to predict their occurrence. Without such trainings, there will be internal inefficiencies (Kagwathi, Kamau, Njau, & Kamau, 2014). These trainings are strategic investments that enable bakeries to become efficient. However, the trainings should be complemented with readiness of bakery owners/managers to create a learning environment that will enable the sharing and discussion of hazard management techniques on a regular basis and eventually enhance their competencies in risk planning.

As it has been mentioned earlier, risk planning initiatives should seek to integrate potential hazards in daily business operations in order to realise effective risk management practices in SMEs. This study recommends that, SMEs need capabilities in making an in-depth analysis of potential hazards in relation to the characteristics and trends in both internal and external business environment. This analysis will enable SMEs particularly bakeries to plan for enhanced risk identification, and control practices. The study argues that in order to effectively manage the risk planning processes in their organisations, bakeries have to firstly offer risk management, and business planning and development trainings to their owners/managers, and their employees. Secondly, bakeries have to strive in developing the competencies of their workforces in establishing the link between risk planning, and business planning. Thirdly, they need to enhance their skills in applying the link between risk plans, and business plans in driving business competitiveness. As mentioned earlier, these competencies are developed through frequent trainings, and experience sharing and discussions among employees and their owners/managers. Additionally, these processes, and techniques need to be supported by the readiness of owners/managers and their employees to embrace the use of ERM in their SMEs.

The study has concluded that effective risk planning strategies in bakeries are defined by the commitment of bakeries to examine the opportunities, and risks that would emanate from business contracts entered with suppliers, or business partners. Since bakery owners/managers and their employees need competencies, particularly through trainings, in order to carry out due diligence, this study recommends that low cost trainings that are regularly offered by business schools, entrepreneurship centres, or government supported programmes, have to be their first priority in order to acquire skills that will enable them to analyse the credibility of the suppliers, or business partners. Additionally, they need to establish relationships with these institutions in order to access an advice regarding risk planning at affordable fees. However, trainings are not

the only solution. Bakeries need to consult other experts such as lawyers, and risk analysts on the feasibility of the probable business contracts. Nevertheless, they need to enhance their capabilities in interacting with key business players and stakeholders such as customers, suppliers, agents, competitors, business partners, and the members of the particular communities in order to gather relevant information pertaining to ethical conducts of suppliers, or business partners whom they expect to make contractual agreements with.

As it has been mentioned earlier, effective risk planning strategies are defined by the commitment of bakeries in frequently finding whether there are any changes in their business environment related to pricing, technology, products, policies, and legal requirements. This study recommends that SMEs need to employ their resources in collecting, and applying business information in managing changes in the external business environment. Their resources should be invested in training their owners/managers, and their employees in understanding the respective market behaviours. Monitoring such behaviours will enable bakeries to devise realistic risk planning techniques. In order to access useful business information and trends in the business environment, cost effective strategies can be adopted by SMEs. This study recommends the use of both social and business networks and the interactions with business stakeholders such as customers, suppliers, agents, business partners, competitors, regulators, and the general public in accessing information and analyse them accordingly. In this regard, SMEs need to place greater emphasis in establishing social and business interactions with key stakeholders. One of the key stakeholders is the government. The government support in building SME capability should be sought in order to drive the growth and competitiveness of SMEs (Osei, Forkuoh, Shao, & Osei, 2016).

The study has also highlighted the need to develop and apply the backup plan in managing unexpected changes in the business and operating environment. As it has been mentioned earlier, the changes may be related to unexpected demand on particular product characteristics such as multigrain bakery products, pricing on raw materials, the swift changes on baking technology, policies, and legal requirements. The commitment in developing and creating a backup plan defines effective risk planning processes in bakeries. This study recommends that SMEs need first to acquire competencies in defining and analysing the impact of unexpected changes on business performance before developing the backup plan. This study suggests that the process of developing a backup plan should strongly be supported by correct business information from both internal and external environment. In this regard, effective knowledge management practices and information systems need to be adopted by SMEs in order to enhance their risk planning processes. In order to enhance their backup development capabilities and improve their respective knowledge management practices, SMEs need to create the

learning environment that allows the discussion and experience sharing on all backup plans from all business units and correct weaknesses accordingly. The aim is to develop and use a backup plan that has integrated the ideas of all business sections. Apart from the recommendations based on the managerial, and policy implications regarding the contribution of risk planning on bakery performance, the recommendations are also made regarding the contribution of risk controlling.

7.3.2.2 Risk Controlling and Bakery Performance

It has been confirmed that the age of the bakery moderates the relationship between risk controlling and cost level in SME bakeries. The negative linear relationship between risk controlling and cost level in bakeries with an advanced age suggests that SMEs need to integrate their risk management experience in their business operations, objectives, goals, and practices in order to foster effective risk control mechanisms that will eventually influence the reduction of production and operation costs in SMEs. Additionally, inexperienced SMEs need to establish effective collaboration arrangements with experienced firms in order to acquire risk controlling knowledge and experience and apply it in their operations and eventually attain capabilities to compete. On the other hand, it is confirmed that the gender of the owner/manager of the bakery moderates the relationship between risk controlling and output level in SME bakeries. The positive linear relationship between risk controlling and output level in bakeries with female owners/managers suggests that SMEs need to analyse and integrate the role of gender in risk controlling in order to effectively increase production.

This study has confirmed that bakeries need to abide by the technical advice given on replacing their appliances and other equipments with new ones as an implementation of risk control initiatives. This study recommends that SMEs need to employ their resources in acquiring, and maintaining modern appliances such as enhanced baking and production systems, and modern storage facilities, and be ready to replace them accordingly. The motive behind the reliance on technical advice is to improve the quality of products, and enhance production processes and practices. There is a great need for bakeries to prioritise the compliance on the required production processes, health, and safety standards in order to control potential risks, increase the bakery reputation, and attain their competitiveness. Nevertheless, the bakery owners/managers have the responsibility of training their workforce particularly the production team to track the machinery performance, and acquire relevant information that would enable the technical team within the bakery or an external consultant to make informed decisions. This study advises SMEs to enhance their knowledge management practices and systems in order to acquire information from both internal and external environment on how to manage particular

appliances in bakeries. These initiatives will eventually help them to increase their competency, control potential risks, and increase efficiency in the production of bakery products.

As it has been mentioned earlier, the study findings reveal the influence of contract evaluation initiatives in enhancing risk mitigation techniques. The development of these techniques requires the capabilities of bakeries in assessing the attainment of each specific performance indicator in order to track the weaknesses and correct them accordingly. This study recommends that the performance evaluation of business contracts entered between bakeries and their suppliers, agents, or business partners should heavily depend on accurate information about the way parties fulfil their contractual obligations, and the challenges they face. This study argues that the evaluation process should seek to asses all stages involved in carrying out due diligence, and designing and executing the contracts so that the root cause of poor performance can be discovered and addressed accordingly. The execution and management of the evaluation process can effectively be done by skilled personnel. This study recommends that bakery owners/managers should embrace an idea of investing in the frequent trainings of their people in order to acquire competencies that will enable them to monitor the performance of contracts and devise the respective risk controlling mechanisms on regular basis. Unlike outsourcing, the use of employees is likely to yield greater impact due to the fact that employees are the ones who execute the contracts, meet the contract partners more frequently, and deeply experience the implementation challenges than the way the outsiders would do.

Peculiar and appealing innovations as perceived by customers play a vital role in influencing the relationship between product development and business performance (Udegbe & Udegbe, 2013). Appealing innovations are the results of the frequently examined development processes in order to mitigate potential risks. As noted earlier, risk controlling strategies in bakeries can be defined by the readiness of bakeries in examining the performance of the product development processes. The motive behind this examination is to ascertain weaknesses and develop viable solutions. This study recommends that institutions that are engaged in offering business trainings to SMEs need to concentrate heavily on the development of training programmes that enable SMEs to manage risks, and assess the performance of their product development processes. They need to build bakery capacities in developing and managing marketing intelligence in order to enhance their business decision making processes. The marketing intelligence should be collected daily and be integrated in enhancing daily business operations. The success in collecting, storing, and utilising business information needs to be regarded as a key ingredient in devising risk controlling techniques. This study recommends the creation of knowledge management systems that reflect the characteristics of SMEs in a developing economy, and can easily be managed by bakery employees. This study reveals that risk

management practices can be enhanced by the commitment of firms in regularly assessing the practicability of each business decisions.

This study highlights that the bakery owners/managers have the responsibility of training and involving their employees in designing and testing the operating procedures in business. They also need to involve their workforce in designing the policies in order to simplify the execution of operating procedures. Policy development needs to be emphasised in SMEs. Policies that are intertwined with business operations, working environment, and business objectives are the major drivers of effective operating procedures. This study suggests that both employees and their owners/managers need to acquire competencies in assessing the viability of their operating procedures in mitigating operational risks in SMEs particularly in bakeries. Such trainings should also empower them to design the operating procedures related to their respective bakery sections. They should also focus on enabling both owners/managers and bakery employees to interpret policy requirements, and establish their roles in facilitating the operating procedures, and in improving both the products, and operating environment. Additionally, SMEs should prioritise the enhancement of the working environment by providing the required facilities, and timely and transparently address concerns raised by employees in regard to operational challenges and risks.

This study has confirmed that SMEs can improve their risk controlling techniques if they frequently gather feedback from customers regarding the product performance in terms of product features such as price, packaging, ingredients, and taste. The study has also highlighted that these initiatives enable SMEs to improve their business strategies particularly the product strategies. It is therefore recommended that bakery owners/managers should strive to develop risk mitigation mechanisms that are reflected in the collected feedback from customers. As discussed earlier, customer feedback can be received if customers are willing to share their suggestions or grievances. This study advises SMEs to study the factors that influence the readiness of customers to give feedback or their reluctance to share their ideas or complaints. Bakeries have the responsibility of analysing each factor and apply the respective analysis in foretelling potential risks, and ultimately devise specific risk controlling strategies. The capabilities to make such analyses are contributed to by the commitment of owners/managers to support frequent trainings to their workforces, and their readiness to create learning environment that enables employees share experience, discuss risk practices, and work in teamwork. This study highlights the importance of enhancing knowledge management practices at workplace as a way of managing risks. Apart from the recommendations based on the managerial, and policy implications regarding the contribution of risk controlling on bakery performance, the recommendations are also made regarding the contribution of strategic risk initiatives.

7.3.2.3 Strategic Risk Initiatives and Bakery Performance

It has been confirmed that the age of the bakery moderates the relationship between strategic risk initiatives and cost level in SME bakeries. The negative linear relationship between strategic risk initiatives and cost level in bakeries with a basic age suggests that SMEs need to enhance their knowledge and skills in strategic risk management despite the number of years they have been in operation. Additionally, they need to adopt an enterprise risk management in order to facilitate the management of their strategic risk initiatives. On the other hand, it has been confirmed that the gender of the owner/manager of the bakery moderates the relationship between strategic risk initiatives and output level in SME bakeries. The positive linear relationship between strategic risk initiatives and output level in bakeries with female owners/managers proposes that SMEs need to analyse and integrate the role of gender in developing and implementing strategic risk initiatives in order to effectively increase output.

This study has defined strategic initiatives in terms of commitment of SMEs to frequently analyse the strengths and weaknesses of their major competitors in order to influence competitiveness. As mentioned earlier, this analysis seeks to provide a clear understanding on the underlying causes of the competitor's performance and the strategies used to address and improve its weaknesses and strengths respectively. These capabilities and limitations of competitors can be identified by looking at the competitor's operations and strategies, products, processes, operating environment, human resource, capital, and business networks. By understanding the competitor's performance and conduct, a bakery is likely to devise techniques that reduce the competition or outweigh the competitor. Managing competition and preventing its effect on business performance define the firm's risk management practices. This study recommends that, bakeries should regard staff training and development particularly on matters pertaining to managing rivalry as strategic investment in propelling growth and sustainability. This study advises SME owners/managers to employ diagnosis techniques that will ultimately brand their SMEs as ethical enterprises.

As it has been mentioned earlier, this study finds that the commitment of bakeries in collecting feedback from their employees regarding their satisfaction level against their working environment is translated as a strategic initiative in risk management. This study recommends that bakery owners/managers have the responsibility of ensuring that the collected feedback is precise. Accurate information is of great significance in developing relevant and realistic solutions against problems and challenges faced by bakery employees. Bakeries may receive true feedback if their commitment to honour employee feedback is indisputable. Employees are ready to provide their views with an assurance that the management will work on them and provide feedback timely. This study recommends that owners/managers need to create

information sharing avenues such as weekly meetings in which they will get an opportunity to share and discuss their welfare lengthily, and friendly. Confidential matters should be respected and dealt accordingly. The motive behind such information sharing avenues should be to build trust among members, and influence teamwork and entrepreneurial spirit at workplace. Additionally, the SME owners/managers should enhance their competencies in human resource management through frequent trainings and practices in order to acquire both skills and experience. Through such competences, effective human resource management is enhanced and subsequently increase the survival of SMEs (Mulolli, Islami, & Skenderi, 2015).

As it has been discussed earlier, firms need to employ their resources in satisfying diverse customer needs. These needs differ depending on the characteristics, interests, and preferences of customers. The findings have revealed that strategic initiatives in risk management are translated by the willingness of bakeries in incurring additional cost to satisfy customer needs. This study recommends that bakeries need to assess the demands of customers in order to determine whether they can be met without conflicting with the strategic positioning of the bakery. It is also argued that bakery owners/managers need to empower their employees, through frequent trainings and experience sharing at workplace, to make sound judgement about the viability of customer needs, and how to effectively manage additional costs. These trainings should be empowered to all employees since they are directly or indirectly interacting with customers who have diverse demands that may compel bakeries to incur additional costs. In this regard, bakeries need to enhance their capabilities in collecting, and interpreting customer demands so that the designed solutions in meeting their demands yield mutual benefits. This study recommends that bakeries should also analyse the practices of other firms particularly the major competitors that encounter similar customer demands in order to make informed decisions that will ultimately enable them to attain competitive advantages and smoothen their risk management processes. This analysis needs to be an integral part of the competitor diagnosis.

Firms may embrace compliance in order to foster positive image and public trust (Benedek, 2012). As noted earlier, the findings have revealed that compliance to legal and regulatory requirements is a strategic initiative that enables a bakery to enhance its image and be regarded as an ethical enterprise. This is due to the fact the market is not ready to purchase products or do business with an untrustworthy entity. This study confirms that the willingness of bakeries to incur any additional cost to comply with the legal requirements is an essential strategy in managing risks associated with noncompliance. It is therefore recommended that SMEs need to regularly seek opportunities that will make them keep informed about the laws, and regulations governing their sectors particularly the food sector and bakery business in order to timely

comply with them and be on the safe side. Nevertheless, this study suggests that the owners/managers should strive to promote ethical conducts at workplace by becoming strict with zero tolerance on unethical behaviours. The aim is to ensure that all members are aware of the risks and consequences associated with failure to pay attention to compliance matters. The information and experience sharing among staff on compliance and risk management issues, and the commitment of SME owners/managers to abide by the legal requirements should be a regular practice that seeks to safeguard the image of the firm and its major stakeholders.

As it has been highlighted earlier, SMEs that make strategic initiatives by investing in risky business that yield significant returns are likely to attain competitiveness, growth, and sustainability. This study recommends that SME owners/managers need to safeguard the interests of their businesses by making investment decisions that are backed with comprehensive investment and risk management analysis. Since most of the bakeries are incapable of carrying out such analyses, competent investment analysts especially those with an extensive experience in SMEs from the food sector should be consulted. They should also be consulted to offer on job trainings to owners/managers and employees in order to empower them with skills that enable them to make basic interpretation of risk information, and investment analyses. Outsourcing is a viable strategy particularly when there is no any possibility of using internal manpower to carry out sensitive, and time consuming duties that require an extensive use of expertise. Nevertheless, bakery owners/managers may use their social and business networks to get competent and trustworthy analysts who are likely to offer quality services at affordable fees. They should also ensure that their employees participate fully in the risk and investment analysis so that accurate risk data and experience from both internal and external environment are acquired and used in the analyses. This study advises bakeries and other SMEs from other sectors to make investment and other sensitive decisions based on analyses carried out through scientific approaches in order to attain competitiveness.

As it has been highlighted earlier, most of the bakeries fail to apply and acquire big loans. In that regard, the acquisition of big loans does not characterise their strategic initiatives in risk management. However, the study has highlighted that in order to grow, SMEs need huge funds. In order to access such funds, acquisition of big loans is an apparent strategy. As mentioned earlier, SMEs face several challenges in accessing big loans. These include the lack of collaterals, lack of advanced financial management skills, lack of financial discipline, inability to produce required business records, and unawareness of the available funding options (Richard & Mori, 2012). This study recommends that the owners/managers and their employees need training on business planning and development, and financial management particularly the controlling mechanisms. They also need to employ their resources in searching for funding

options that suit their financial needs. These may include government or nongovernmental financing schemes, and other investment arrangements such as strategic alliance, and joint ventures. This study argues that SME owners/managers need to acquire and formalise their immovable assets such as land in order to use them as collaterals. This is possible in developing countries that have favourable land policies such as Tanzania. However, opportunities and challenges pertaining to each funding or investment arrangements should be analysed in order to effectively manage associated risks and eventually safeguard the interests of SMEs and the respective economy at large. Apart from the recommendations based on the managerial, and policy implications regarding the contribution of risk-taking strategies on bakery performance, the recommendations are also made regarding the contribution of marketing strategies.

7.3.3 Marketing Strategies and Bakery Performance

The study's recommendations are based on the managerial, and policy implications regarding the contribution of each marketing strategy on bakery performance.

7.3.3.1 Product Strategies and Bakery Performance

Effective product strategies influence customer retention (Ismail & Safrana, 2015). It has been revealed that the workforce's professional behaviour, the acquired competency through training, and the rewarding systems moderate the relationship between product strategies and the number of customers in SME bakeries. The positive linear relationship between product strategies and the number of customers in bakeries with advanced human resource competency suggests that SMEs need to frequently train their workforce and develop appropriate and attractive packages that will eventually motivate their workforce to effectively facilitate the development and execution of product strategies and eventually increase the number of customers. On the other hand, the business experience of the bakery owners/managers moderates the relationship between product strategies and sales level. The positive linear relationship between product strategies and sales level in bakeries whose owners/managers have an advanced business experience suggests that SMEs need to develop mechanisms that will attract more experienced business leaders and nurture the potential business leaders among their existing workforce in order to effectively manage product development and implementation programs that drive sales performance in SMEs.

As it has been concluded earlier, bakery product strategies are defined by product packaging initiatives. These initiatives seek to attract and satisfy the needs, interests, and preferences of customers in terms of appealing package design, consideration of health, safety, transportation, and storage concerns. For example, an effective packaging can be used to provide relevant information such as usage instructions, price, and ingredients (Lodhi & Ehsan, 2015). Additionally, these initiatives seek to satisfy the demands of customers in relation to the

freshness of bakery products, and both taste, and flavour. Since most of the Tanzanian SMEs outsource packaging, this study recommends that the outsourced manufacturers should engage their clients in the designing and development of their packages in order to drive their trust and dependability. In this regard, they are likely to increase their client base and produce at less cost that will stimulate affordability to SMEs and eventually expound their market share. Nevertheless, bakeries can collaborate with fellow bakeries or food SMEs in manufacturing their own packages at less cost. In the long run, SMEs need to have full ownership of the manufacturing of package in order to increase their competitive advantages.

As it has been concluded earlier, consumer interests and tastes can be satisfied by the addition of new products in the market. This is primarily a new product development process that depends on market intelligence, and firm's knowledge management capabilities. This study has confirmed that bakeries define their product strategies by adding new products in the market. Since the addition of new products, and the improvement of the existing ones are one of the most challenging initiatives in SMEs, this study recommends that bakeries have to invest heavily in creating knowledge management systems that manages marketing intelligence, and facilitate the accessibility, sharing, and application of information in designing and manufacturing bakery products that will satisfy the needs of consumers, and enable bakeries to attain competitive advantages and sustainability. In this regard, training their workforce particularly the marketing team and the bakers in order to manage these processes should not be regarded by owners/managers as wastage of resources. Instead, SMEs should link it with future performance particularly in terms of increased customers and sales.

This study has also confirmed that bakeries execute their product strategies by frequently removing poorly performing products from the market. In order to have timely, fair, and data-driven decisions of removing poorly performing products in the market, this study recommends that bakeries need to rely on marketing intelligence. In this regard, owners/managers have the responsibility of investing in the development and operations of marketing intelligence systems, and in training their employees in collecting, analysing, and applying data in making sound business decisions. It also recommends that owners/managers and employees need to consistently analyse and monitor the performance of their products in order to address the real problems at their early stages. In this regard, only uncontrollable factors should be considered in replacing poor performing products in the market. The competency in product management would be provided by business incubators and resource centres. However, there is lack of such effective entities in Tanzania (Anderson, 2017). Due to significant changes in markets, the academic, and research institutions have the responsibility of reviewing their training support given to SMEs and concentrate heavily in building their capacity in the establishment of

enhanced marketing intelligence and its application in making sound business decisions for the betterment of their businesses.

The study has concluded that the commitment of bakeries in increasing reputation of their products defines product strategies in bakeries. In this regard, this study recommends that the major driver of product reputation in SMEs is their readiness to integrate the needs, interests, and preferences of customers, and the market trends in the production of bakery products and their delivery. The consideration of market trends and consumer needs influences the decisions to invest in advanced technology and machinery that manage the production process of quality bakery products in order to increase product reputation. This study recommends that the production of quality products should also be linked with effective human resource management techniques, and advanced customer service. The human resource management techniques, systems, and policies are the drivers of a productive culture (Arulrajah, 2017). SME owners/managers should be aware of the fact that product reputation is also linked with compliance in health and safety standards governing the food sector in Tanzania. This is because; even though the bakery has advanced production systems, customer service, and delivery mechanisms, failure to comply with regulatory standards may tarnish the image of the products, and their respective bakery in the eyes of both existing and potential customers.

As it has been seen earlier, the product strategies in bakeries are characterised by the consideration of customer needs and interests in designing and developing product features. This study recommends that SMEs have great growth opportunities if they invest heavily in gathering, storing, analysing, and applying information in making business decisions that seek to drive customer satisfaction. Such investment enhances marketing intelligence and SMEs' competitive advantages. They also need to enable their workforce to establish and manage marketing intelligence in their SMEs. This is primarily achieved through frequent trainings. Through these trainings, the owners/managers, and their employees will also get an opportunity to share experience and knowledge in designing appealing product features. The information management systems and product development processes should be linked in order to offer what the market wants. Additionally, since the customers' preferences differ, this study argues that SMEs need to address the challenge of accommodating the demands of all customers in product features by creating market segments based on market and customer characteristics. Apart from the recommendations based on the managerial, and policy implications regarding the contribution of product strategies on bakery performance, the recommendations are also made regarding the contribution of pricing strategies.

7.3.3.2 Pricing Strategies and Bakery Performance

As it has been noted earlier, the favourable working conditions have an influence on employees' work attitudes. These attitudes influence firm performance (Anele, Tamunosiki-Amadi, & Don-Solomon, 2017). It has been revealed that the workforce's professional behaviour, the acquired competency through training, and the rewarding systems moderate the relationship between pricing strategies and the number of customers in SME bakeries. The positive linear relationship between pricing strategies and the number of customers in bakeries with advanced human resource competency proposes that SMEs need to regularly train their employees and develop suitable compensation packages that eventually motivate their employees to effectively facilitate the development and execution of pricing strategies and finally increase the number of customers. On the other hand, the business experience of the bakery owners/managers moderates the relationship between pricing strategies and sales level. The positive linear relationship between pricing strategies and sales level in bakeries whose owners/managers have a basic business experience suggests that SMEs need to develop mechanisms that will integrate their basic business experience and knowledge on customer characteristics and behaviours in order to effectively develop and manage pricing strategies that drive sales performance in SMEs.

As it has been noted earlier, the consideration of customer satisfaction as a key factor in price setting defines effective pricing strategies in bakeries. This study recommends that bakeries need to empower their owners/managers and employees to acquire competencies in identifying and understanding the major elements defining, translating, and fostering customer satisfaction in the food sector particularly the bakery industry. This will enable them to devise marketing strategies based on information about customer and industry characteristics, market trends, and consumer behaviours. Additionally, capabilities in intertwining the interests and demands of customers with the enhanced product characteristics, processes, and the operating environment should be prepared in order to make informed price decisions. These are the capabilities that can be acquired by investing in the development of improved management information systems, and competent human resource teams. This is because; price setting depends on marketing intelligence, competencies of the workforce, and the efficiency of the production systems and processes in firms.

As it has been concluded earlier, the provision of price discounts characterise enhanced pricing strategies in bakeries. Tanzanian SMEs need to offer price discounts in order to attract more price sensitive customers and others who purchase in bulk particularly the agents, retailers, and families. However, even the price sensitive customers particularly those from the low-cost segment strive to find value for money in the products they purchase (Adewale, Adesola, &

Oyewale, 2013). This study recommends that bakeries need to strengthen their capabilities in accessing and applying relevant price information in making price decisions including discounts. Information on production and operation costs, competition, revenue, and demand levels, and market trends have to be sought and accessed in order to foretell the impact of price discounts on bakery performance, and sustainability. This study argues that the government, policy makers, and the academic and research institutions have the big role to play in enabling bakeries to access data particularly those related to the external business environment such as market trends on sales, consumption patterns, prices, and the product characteristics. They can handle such situation by establishing a data centre in which the relevant information will be accessed by SMEs at low cost or free of charge in order to enhance their competitiveness and abilities to make informed price decisions.

As it has been noted earlier, bakeries define their pricing strategies in terms of their readiness to offer products whose prices are market driven. As discussed earlier, these prices have both positive and negative consequences to business. This study recommends that bakeries need to acquire skills and experiences in adjusting according to the situation in order to maintain or increase their customers and sales. SMEs need to adjust according to the changes in the environment, and make sound judgements in order to compete effectively (van Scheers & Makhitha, 2016). Any adjustments made should be explained clearly to their customers and should not dilute quality and customer service in order to win trust and customer loyalty. In this case, bakeries have the responsibility of explaining to their customers about the reasons for price changes. Additionally, the study recommends that SMEs need to increase their product portfolio and develop more markets in order to absorb future price shocks. This study recommends that training institutions especially business schools and other organisations involved in building SME capacity need to offer free or affordable trainings to both owners/managers and their employees in order to acquire competencies that will enable them to address price shocks, enhance their management information system capabilities, and effectively manage both production and operation costs.

This study has revealed that effective pricing strategies are translated by the easiness experienced by customers in linking product quality with set prices. The purchase is made when customers are convinced that quality is guaranteed (Wu, Lu, Tan, Yang, & Cheng, 2016). This study recommends that bakery owners/managers need to design and establish mechanisms that collect information from customers in relation to the characteristics that define product quality. This will help bakeries to incorporate their definitions in production processes and ultimately set prices that will be positively welcomed by the customers. They can also design effective marketing communication systems that will inform customers about any improvement made in

products and the reasons for price changes. In a competitive business environment, particularly the food sector with a bunch of product substitutes, any slight changes that go unexplained are likely to flee customers. Again, this study recommends that capabilities in managing knowledge and in establishing and managing information systems should be regarded as the major drivers of competitive advantages in SMEs that deal with food business particularly the bakery industry.

It has been revealed that the difference between prices of an SME and that of its competitors is regarded as the major component defining effective pricing strategies in bakeries. In order to have sustainable competitive prices, this study recommends that bakeries have the responsibility of strengthening their capabilities in defining and effectively managing production and operation costs in order to attain efficiency. Cost control mechanisms should be employed in production and operation processes in order to produce quality products and increase output level, and manage supply chain. The control mechanisms can also be applied in accessing, storing, sharing, and utilising relevant marketing information and other relevant business data. Additionally, this study argues that the strengths and weaknesses of major rivals have to be analysed in order to establish mechanisms that can outperform their pricing strategies. Nevertheless, bakeries need to train their owners/managers and employees in areas pertaining to strategy evaluation. This will enable them to frequently evaluate the performance of set prices and get an opportunity to address the revealed weakness timely. Apart from the recommendations based on the managerial, and policy implications regarding the contribution of pricing strategies on bakery performance, the recommendations are also made regarding the contribution of distribution strategies.

7.3.3.3 Distribution Strategies and Bakery Performance

It has been revealed that the workforce's professional behaviour, acquired competency through training, and the rewarding systems moderate the relationship between distribution strategies and the number of customers in SME bakeries. The positive linear relationship between distribution strategies and the number of customers in bakeries with advanced human resource competency proposes that SMEs need to regularly train their employees and develop suitable and attractive compensation schemes that will eventually motivate their employees to effectively facilitate the development and implementation of distribution strategies and eventually increase the number of customers. On the other hand, the business experience of the bakery owners/managers moderates the relationship between distribution strategies and sales level. The positive linear relationship between distribution strategies and sales level in bakeries whose owners/managers have a basic business experience suggests that SMEs need to develop mechanisms that will integrate their basic business experience and knowledge on the delivery

logistics in the SME markets and an understanding on customer interests and behaviours in order to effectively develop and manage delivery mechanisms that drive sales performance in SMEs.

As it has been concluded earlier, bakeries define their distribution strategies by striving to deliver customer orders on time. This study recommends that bakeries need to enhance their capabilities in managing logistics and adapt to sound delivery systems (Masache & Mangwanya, 2013). They also need to understand, examine, and evaluate the effects of each delivery mechanisms such as the use of their own appropriate means of transport or outsourcing in order to make sound judgements that guarantee their competitiveness and reputation. This study argues that bakeries need to link the logistics management initiatives with production, order processing, and packaging activities in order to deliver fresh and tasty bakery products. This study recommends that financial institutions need to offer special loans to SMEs in order to acquire transport facilities that will facilitate the timely delivery of bakery products especially when bakeries decide to use their own means of transport to make delivery. On the other hand, owners/managers and their subordinates particularly those involved in distribution need to undergo training in matters pertaining to contract management especially when outsourcing is a preferred choice. In this regard, disputes will be handled timely and allow bakeries to concrete on other core business operations.

The study findings have revealed that the delivery of products as per customer requirements enhances distribution strategies in bakeries. This study recommends that SMEs need to develop and use appropriate logistics information systems in processing and integrating data pertaining to delivery process, customer requirements, production process, and order processing in order to make sound and informed logistics management decisions. It is also recommended that competencies of their human resource in distribution matters can be acquired through investing in training, and enhancing knowledge sharing practices in bakeries. These systems should be embraced by owners/managers in order to effectively inspire their subordinates to learn and use them. They are likely to reduce order processing time and costs, and enable owners/managers and their staff to manage the respective order, cost, and sales trend and ultimately make informed decisions. In this regard, the trust, dependability, and customer loyalty will be increased and positively impact the firm reputation and competitiveness.

As it has been concluded earlier, the study findings have confirmed that enhanced distribution strategies in bakeries are defined by the willingness of bakeries to bear product delivery costs. In order to increase their reputation, this study recommends that bakeries should not conceal these costs in product prices. Instead, they should distinguish delivery costs and product prices in order to allow customers to make their choices of whether to enjoy special product delivery

service at their identified premises or not. Nevertheless, before bakeries decide to set conditions that govern product delivery services at their customers' identified locations, an in-depth analysis should be carried out in order to understand the impact of the conditions on sales level and customer base. These analyses are carried out by competent employees who undergo regular trainings. In this regard, owners/managers have greater responsibilities of investing in their human resource in order to attain competitiveness and sustainable knowledge management capabilities. They also need to enable their bakeries to evaluate the contribution of the suggested delivery arrangements on business performance in order to understand and manage logistics costs appropriately.

This study has confirmed that bakeries need to widen their markets by distributing their products using agents such as restaurants, shops, food stores, supermarkets, and vendors. This study recommends that the contractual agreements that govern such distribution arrangements need to motivate agents through attractive commission payments. Nevertheless, bakeries need to motivate their agents to 'own' bakery products in order to stimulate more sales. In this regard, the relationship between bakeries and distributors or agents needs to be improved (Dahlan, Akbari, Ansari, & Safi, 2017). Additionally, they need to create learning environment that allows the workforce to share experience and receive training in handling business relationship disputes. This study advises SMEs to carry out an in-depth analysis about the competency, form, and other business characteristics of the agents such as trust, reliability, reputation, and their storage capabilities before establishing any contractual agreements. Additionally, capabilities in monitoring and evaluating the performance of agents should be acquired by bakeries in order to control risks and challenges associated with dishonouring the contracts. It is also recommended that, in order to increase their competitiveness, SMEs that experience growth and sustainability, may decide to widen their distribution networks by establishing and managing their own sales points.

The study findings have indicated that investing in modern storage facilities enables the bakery to satisfy the needs of its distribution network and plans. This study recommends that SMEs need modern storage facilities in order to timely feed its distribution network, attain efficiency and output goals in production, and preserve the freshness of bakery products. Since most of the SMEs in developing economies experience limited financial resources, this study recommends that the best financing strategies should be analysed and be considered in making strategic investments in enhancing their distribution strategies. This study advises SMEs to apply for business loans from financial institutions in order to implement relevant and well developed distribution plans. Academic institutions and other organisations engaged in offering entrepreneurship and business development support are advised to build SME capacity in

developing and executing fundable business plans. Additionally, the business development support can also be carried out by the financial institutions themselves such as banks. The business development support can be in terms of training and counselling (Richard & Mori, 2012). Nevertheless, bakeries should be empowered to execute other funding options such as strategic alliances in which a bakery collaborates with other bakeries or other SMEs in the food sector to share modern storage facilities. In this regard, challenges and risks associated with strategic alliances need to be analysed in order to devise plans that will manage and control these challenges and risks before making a contractual agreement.

One of the techniques that can be used by SMEs to manage their distribution time is to employ their efforts and resources in reducing order processing time. This study reveals that this technique defines enhanced distribution strategies in bakeries. The study recommends that SMEs need to study the nature and characteristics of their product delivery systems and practices in order to manage customer orders and their corresponding processing times. In this regard, owners/managers need to develop systems and practices that blend the mix between correct translation of customer requirements, production processes and schedules, and logistics management practices in order to address any delay that is influenced by poor linkage of bakery operations. In this regard, bakeries need to train their workforce in understanding the link and be able to estimate the time spent to meet customers' demands. Such trainings can be designed by consultants after carefully understanding and analysing the operating environment of the trainees. This is the average time that should be known by respective customers and should not be exceeded in order to increase the reliability, reputation, and bakery's competitiveness. Apart from the recommendations based on the managerial, and policy implications regarding the contribution of distribution strategies on bakery performance, the recommendations are also made regarding the contribution of promotion strategies.

7.3.3.4 Promotion Strategies and Bakery Performance

It has been confirmed that the workforce's professional behaviour, the acquired competency through training, and the rewarding systems moderate the relationship between promotion strategies and the number of customers in SME bakeries. The positive linear relationship between promotion strategies and the number of customers in bakeries with advanced human resource competency proposes that SMEs have the responsibility of regularly training their employees and create appropriate compensation schemes that motivate their employees to effectively facilitate the development and implementation of sound promotion strategies and in the end increase the number of customers in SMEs. In order to influence employee performance, the compensation schemes need to include both financial and non-financial rewards (Kathombe, Kipchumba, & Kirui, 2018). On the other hand, the business experience of

the bakery owners/managers moderates the relationship between promotion strategies and sales level. The positive linear relationship between promotion strategies and sales level in bakeries whose owners/managers have a basic business experience proposes that SME owners/managers have the responsibility of developing systems that will integrate their basic business experience and knowledge on the promotion strategies, and practices in the relevant SME markets and the knowledge on customer preferences, and behaviours in order to effectively develop and manage appropriate promotion initiatives that drive sales performance in SMEs.

As it has been discussed earlier, SMEs can use leaflets and brochures in communicating their products. This study advises bakeries to frequently study the usefulness of leaflets and brochures in order to make informed promotion decisions. In those studies, they are likely to understand the interest and preferences of their consumers, and the communication strategies adopted by their rivals. The bakery workforce needs to acquire competencies, preferably through training and experience sharing, in designing the leaflets and brochures, distributing them, and evaluating their relevance in promoting the bakery and its products. They can also negotiate the costs involved in designing and producing leaflets and brochures with reliable and trusted suppliers in order to produce as many leaflets and brochures as possible. As discussed earlier, the motive behind producing many leaflets and brochures is to reach as many potential buyers as possible. Although the leaflets and brochures are more relevant in communicating with individual persons than institutions, this study recommends that SMEs may design few and special leaflets and brochures that are attractive and detailed enough to draw the attention of institutions. Nevertheless, a bakery may opt for entering into collaborations with related enterprises in the food sector for joint distribution of leaflets and brochures in order to broaden its promotion coverage.

This study has confirmed that SMEs adopt the use of social media in communicating their mission and their products. It has been revealed that the use of social media in promotion is a viable strategy if the target market has been identified, understood, and easy to locate. This study recommends that bakeries need to train their people in analysing and selecting potential markets before carrying out promotion campaigns. This will reduce promotion costs and prevent the wastage of SME resources from the very beginning. The social media is regarded to be a cost effective promotion tool than an organisation website (Dzisi & Ofosu, 2014). Additionally, bakery employees need to acquire skills that will enable them to establish and manage online social interactions with individuals from the target markets. These skills can be acquired through frequent trainings that will also enable them to design and execute online promotion campaigns using social media. Owners/managers have the responsibility of providing their concerned employees with modern facilities or financial support for managing online promotion

through social media such as *WhatsApp, Facebook* and *Instagram.* However, the success of these techniques and support depend on the commitment of owners/managers to create favourable working conditions that stimulate employee's motivation to use personal connections such as relevant *WhatsApp* groups to promote bakery products.

As it has been discussed earlier, the study has confirmed that one of the effective techniques in enhancing bakery's promotion initiatives is the commitment of bakeries in enabling their workforce to personally communicate their products to potential individual customers. In order to influence the sustainability of their commitment, this study recommends that owners/managers and their subordinates need to frequently sit, share, and discuss the promotion practices and experiences in order to design and successfully implement relationship development initiatives and ultimately broaden their markets. In order to enhance the relevant knowledge sharing practices in their bakeries, owners/managers are advised to invest their efforts and bakery financial resources in improving the working conditions and the learning environments in order to motivate their employees to employ their personal efforts in creating long lasting business relationships with potential individual customers in the target market. This is because; these employees are the ones who are expected to initiate conversations with potential customers who have diverse backgrounds, interests, and preferences, and are also engaged in various potential business and social networks in which bakery employees can penetrate through the help of a convinced potential customer. In this regard, the training of the sales force is of paramount importance in improving sales performance (Igwe & Tamunoiyowuna, 2016).

This study has revealed the significance of enhancing bakery promotion initiatives through the commitment of bakery owners/managers and their employees in personally communicating their products to potential agents such as restaurants, shops, food stores, supermarkets, and vendors. The study recommends that SMEs need to employ their efforts in enhancing their capabilities in establishing and managing business relationships with individuals and firms. Academic institutions such as business schools, and other organisations engaged in supporting SMEs with technical expertise need to design and offer trainings that seek to empower SMEs with skills and competencies in establishing and managing business conversations. In these trainings, both written and oral communication skills have to be attained and be linked with the execution of promotion strategies whose intention is to draw the attention of potential business partners such as agents. Business communications skills are needed in executing promotion strategies especially when the bakeries have identified potential agents, and understood their interests, needs, and preferences. Understanding the characteristics of the potential agents should also go together with understanding the strengths and weaknesses of the bakeries that do

business with the potential agents or are vying to establish business relationships with them. This will ultimately enable bakeries to address their weaknesses in business communication and devise and execute plans on correcting their weaknesses regularly.

As it has been revealed in the study findings, one of the components of effective promotion strategies in bakeries is the use of an employee reputation in communicating bakery products. The firm reputation is to a great extent influenced by the reputation of the employees. That is why Cravens & Oliver (2006) conclude that employees play a vital role in managing firm reputation. As noted earlier, the SME reputation impacts its performance (Ansong & Agyemang, 2016). This study recommends that SMEs need to use their efforts and financial resources in recruiting the best employees. These are the employees who are trainable and have the relevant experience that has contributed significantly to their reputation. For example, baking skills and competencies should not be the only quality of a recruited baker. Bakeries have the responsibility of tracing the employee's ethical background and their customer service experience. This is because; SMEs will compete if their owners/managers and their employees are willing and are capable of offering advanced customer service to different types of customers. Bakeries have to frequently train their people in managing customer relationships and in building ethical workplaces. In this regard, bakeries need to collect data from customers regarding the way they define reputation and ethical enterprises. This will help them carry out frequent evaluations in order to understand their weaknesses and strengths and improve accordingly. Building ethical workplaces requires teamwork spirit, transparency, accountability, and fairness. Ultimately, ethical workplaces will simplify promotion practices in SMEs.

This study has confirmed that the promotion strategies in bakeries are translated by the commitment of owners/managers and employees to define and consider customer relationship management practices as their core duty. This study recommends that before integrating customer relationship management practices in every business operations, bakery owners/managers need to define the needs, interests, and preferences of their customers. They have the responsibility of segmenting their target market based on customer characteristics such as age, income, exposure, experience, education, gender, and family size. This is of paramount importance in understanding their consumption patterns and purchasing trends. This study argues that knowing the consumer behaviours needs to be complemented with training the workforce in understanding and managing their target markets. This is the blend that will ultimately enable SMEs to integrate customer service in all business operations. Nevertheless, it should be noted that the employees are the ones responsible in executing customer relationship strategies and eventually promote the bakery and its products, processes, and operating environment. In this regard, employees need to be motivated by their owners/managers through

fair reward policies and systems. Their motivation can be influenced by effective job security and compensation schemes (Chandra, Tripathi, & Chaubey, 2018). Apart from the recommendations based on the managerial, and policy implications regarding the contribution of marketing strategies on bakery performance, the recommendations are also made regarding the contribution of other entrepreneurial strategies (knowledge management).

7.3.4 Knowledge Management Strategies and Bakery Performance

The study recommendations are based on the managerial, and policy implications regarding the contribution of each knowledge management strategy on bakery performance.

7.3.4.1 Knowledge Creation and Bakery Performance

It has been revealed that the education of the owner/manager moderates the relationship between knowledge creation and cost level in SME bakeries. The negative linear relationship between knowledge creation and cost level in bakeries with owners/managers whose level of education is basic tells that SMEs should not rely on academic qualifications alone in managing knowledge creation practices. Instead, they need to consider other tenets of the owner's/manager's capabilities such as skills and experience in order to reduce both production and operation costs. These capabilities can also be translated in terms of managerial competencies whose contribution on SME performance is apparent (Rambe & Makhalemele, 2015). On the other hand, it has been revealed that the business experience of the owner/manager moderates the relationship between knowledge creation and output level in SME bakeries. The positive linear relationship between knowledge creation and output level in bakeries with owners/managers whose business experience is advanced informs that SMEs need to employ managers and employees who have a vast relevant business experience in order to attain a better output level.

Idea development stimulates knowledge creation and eventually influences better business operations and outcomes. In order to have effective idea development practices in bakeries, this study recommends that bakery employees need to be given challenging tasks that expand the ideas in order to build up their experiences and capabilities in managing knowledge creation practices. This has to be done frequently and should go hand in hand with relevant trainings. The owners/managers need to partner with training institutions from the food sector as well as academic centres that provide entrepreneurship training so that they can equip their employees with knowledge creation skills. Another effective mode of training are on job training that intends to provide practical experience to employees and is affordable. Nevertheless, bakeries have an obligation of analysing their employees' skills and competencies and link them with relevant idea development tasks and eventually stimulate their motivation and entrepreneurial spirit. Additionally, idea development is not an individual person's task. In this regard, the role

of bakery owners/managers should be to stimulate teamwork at workplace. They also need to inspire and support learning in bakeries. A learning organisation influences employees to generate and share their ideas (Alipour, Idris, & Karimi, 2011).

The improvement of bakery products, or processes, or operating environment depends on the effective knowledge creation initiatives such as ideas generated by employees. However, such idea generation is facilitated by the favourable working environment. The knowledge management environment plays a vital role in influencing knowledge management practices (Detlor, et al., 2006). In order to attain competitiveness, SME bakeries need to design and implement effective reward systems and policies that motivate, and bring both confidence and an entrepreneurial spirit in employees so that they can continue creating knowledge through idea generation. This study recommends that bakeries need to invest in offering necessary trainings to its employees and support a favourable learning process in order to generate more ideas that enhance an improvement process. Additionally, this study urges bakery owners/managers to design and implement governance structures that support well defined duties and responsibilities, stimulate teamwork, and enhance both commitment and accountability. It also recommends the need to have transparent and inclusive decision making process that manages and supports idea generation initiatives at workplace.

Employee training is essential in changing employee behaviour, and attitude, and ultimately in driving firm performance (Chahal, 2013). This study has also highlighted the need to enhance the knowledge management strategy through offering trainings to bakery employees in regard to analysing information from the customers, suppliers, agents, or business partners. The required competency in analysing information is of paramount importance in interpreting the demands, and perception of abovementioned stakeholders in regard to bakery products, processes, and operating environment. This study recommends that bakeries need to receive regular trainings with regard to analysing such information but also gain skills to blend the mix between the analysed information and the business goals and objectives. The study urges bakery owners/managers to treat all received information with urgency and equal importance in order to maintain the strategic relationships with all business stakeholders. Such trainings should also take into consideration the need for bakeries to understand techniques that interlink the analysed information from different groups of stakeholders.

As it has been seen earlier, useful ideas and suggestions provided by employees need to be linked with those provided by customers, suppliers, agents, or business partners in order to establish a common ground that acts as one of the components defining knowledge creation strategy in bakeries. Ultimately, such strategy contributes significantly to bakery performance particularly in terms of an increased output and reduced production and operating costs. This

study suggests that an in-depth analysis of all given ideas from each group of stakeholders has to be carried out before establishing the common ground in order to get a clear picture on what these stakeholders prefer. Trainings that seek to develop competencies in intertwining diverse ideas are of paramount importance. Nevertheless, in order to be objective, employees who have given their ideas should not participate in establishing the common ground. Owners/managers and other 'neutral' employees can participate while considering the business goals, objectives, and capabilities.

As it has been discussed earlier, one of the drivers of knowledge creation strategy in bakery is to establish mechanisms on how to receive suggestions, complains, ideas, or any relevant information from bakery customers, suppliers, agents, or business partners. This study recommends that bakeries should not only dwell on mechanisms such as suggestion box, or meeting bakery management in person, or contacting them via communication channels that are convenient to stakeholders, but they need to train and encourage their workforce to use whatever possible means to collect such information and work on them. This is because; not all stakeholders will be ready or interested with means provided by the bakery. Bakeries can learn and adopt other convenient means such as social media. In this regard, customer relationship management needs to be enhanced in order to facilitate the information gathering process. Bakeries need to timely address all issues raised and provide feedback by means of communications or improvement of products, processes, operating environment, or any concerned area. This will in turn foster loyalty, trust, and dependability. Generally, the attitudes of management towards feedback mechanisms will greatly influence their implementation (Caemmerer & Wilson, 2010). Apart from the recommendations based on the managerial, and policy implications regarding the contribution of knowledge creation on bakery performance, the recommendations are also made regarding the contribution of knowledge sharing.

7.3.4.2 Knowledge Sharing and Bakery Performance

It has been revealed that the education of the owner/manager moderates the relationship between knowledge sharing and cost level in SME bakeries. The negative linear relationship between knowledge sharing and cost level in bakeries with owners/managers whose level of education is basic tells that SMEs should not rely on academic qualifications alone in managing knowledge sharing strategies. Instead, they need to consider other characteristics of the owner's/manager's competence such as business skills and experience in order to effectively manage production and operation costs. The poor SME performance is associated with inadequate managerial skills (Olowu & Aliyu, 2015). On the other hand, it has been revealed that the business experience of the owner/manager moderates the relationship between knowledge sharing and output level in SME bakeries. The positive linear relationship between

knowledge sharing and output level in bakeries with owners/managers whose business experience is advanced confirms that SMEs need to employ managers and employees who have huge relevant business experience in order to influence production. The necessary skills are needed in order to influence the survival of SMEs (Sitharam & Hoque, 2016).

The SME performance depends on the SME's effective knowledge sharing strategies (Mohsam & Van Brakel, 2011). As stated earlier, the willingness of bakery employees to share any idea or information that can improve bakery products, or processes, or operating environment defines the knowledge sharing strategies in bakeries. In this regard, this study suggests that owners/managers need to develop mechanisms that can stimulate teamwork spirit. They also need to support their employees' initiatives to learn by sharing ideas or information to their fellow employees. The owners/managers need to embrace these initiatives by participating in sharing their ideas or any useful information to their employees in order to enhance teamwork and entrepreneurial spirit at workplace. Owners/managers have the responsibility of allowing their employees to participate in decision making processes taking place in their respective bakeries. Bakeries have also the responsibility of developing and installing effective reward systems that honour both individual achievements and performance driven by teamwork. Such reward policy will ultimately sustain knowledge sharing in bakeries.

The knowledge sharing initiatives in bakeries is translated by open discussions on information or ideas regarding the improvement of bakery products, or processes, or operating environment. Employees' readiness to discuss openly influence teamwork, fairness, learning, knowledge management plans, and transparency in decision making processes in SMEs. This study urges owners/managers to stimulate open discussion in order to provide an opportunity to develop ideas and information that drive innovations in bakeries. Owners/managers need to participate in these discussions in order to build their trust and confidence in employees and foster cooperation with their employees. Their commitment will ultimately influence their employees to continue sharing and discussing useful ideas and information. They also need to deliberately create mechanisms that stimulate constructive criticisms from discussants in order to fine-tune ideas and improve products, or processes, or operating environment. Once great performance especially that is resulted by the sharing and discussion of ideas and information is realised, bakeries need to reward the teams and all participating individuals collectively. This is likely to stimulate teamwork and outweigh selfishness and hence continued sharing and discussions of ideas prevail.

An SME shares knowledge in both its internal and external business environment (Xu, Quaddus, & Gao, 2014). As discussed earlier, knowledge sharing initiatives are characterised by the working environment that allows employees to share, and discuss ideas or information in

regard to the improvement of bakery products, or processes, or operating environment. This study recommends that bakeries need to enhance their working environment by supporting employees' initiatives in sharing and discussing ideas and relevant information. They are also required to motivate their employees through well defined reward policies. In this regard, ideas that foster competitiveness should be rewarded accordingly to individuals and to respective improvement teams. Additionally, it is recommended that owners/managers need to enhance their relationships with their employees and be ready to involve themselves in discussing ideas raised. The focus should be placed on improving the learning environment in bakeries and encourage their employees to participate in key decision making process pertaining to knowledge management practices in order to gain experience, skills, and grow career wise. A support to develop effective relevant policies can be sought from academic institutions, and policy development practitioners from both public and private sectors. Owners/managers need to interact with these stakeholders in order to benefit from their technical knowledge and expertise.

Knowledge sharing initiatives are the drivers of efficiency in organisations (Mohajan, Islam, & Shome, 2017). Bakeries need enhanced knowledge sharing practices that ultimately foster SME performance. One of the major drivers of knowledge sharing in bakeries is the maximum interaction between employees and customers, suppliers, agents, or business partners. As discussed earlier, these interactions enable the bakery to receive ideas, and engage in useful discussions. Therefore, bakeries get an opportunity to correct their weaknesses and strengthen their competitive advantages. In this regard, this study recommends that owners/managers need to focus on strengthening their employees' capabilities in handling business stakeholders. They need to train their employees in matter pertaining to customer service and managing business relationships. Bakeries need to improve their relationships with stakeholders by addressing their concerns and be ready to inform them about the progress or improvement made where necessary.

This study tells that the timely provision of feedback on the progress of the employee-given/generated information influence knowledge sharing in bakeries that ultimately drive performance. This study recommends that bakeries have the responsibility of providing timely feedback in order to influence more discussions that fine-tune the suggested decisions or solutions. They need also to use these discussions in sharing experience, skills, and competencies that can become the source of knowledge management capabilities in SMEs. It should be noted that the improvement of bakery products, processes, or operating environment depends on well digested discussions on the feedback provided. This study recommends that owners/managers need to create transparency, and an environment that supports constructive

criticisms so that the provided feedback becomes a source of idea or solution development. In order to motivate employees to suggest solutions or areas of improvements, bakeries need to commit themselves in treating employees as the major source of knowledge sharing that seeks to create knowledge management capabilities. This is because; knowledge management capability is one of the major sources of organisational outcomes (Chinchang & Ussahawanitchakit, 2015). Apart from the recommendations based on the managerial, and policy implications regarding the contribution of knowledge sharing on bakery performance, the recommendations are also made regarding the contribution of knowledge utilisation.

7.3.4.3 Knowledge Utilisation and Bakery Performance

It has been revealed that the education of the owner/manager moderates the relationship between knowledge utilisation and cost level in SME bakeries. The negative linear relationship between knowledge utilisation and cost level in bakeries with owners/managers whose level of education is basic tells that SMEs should not rely on academic qualifications alone in managing knowledge utilisation strategies. Instead, they need to consider other characteristics of the owner's/manager's competence such as business skills and experience in order to effectively manage production and operation costs. On the other hand, it has been revealed that the business experience of the owner/manager moderates the relationship between knowledge utilisation and output level in SME bakeries. The positive linear relationship between knowledge utilisation and output level in bakeries with owners/managers whose business experience is advanced confirms that SMEs need to employ managers and employees who have enormous relevant business experience in order to influence an increased output level.

As it has been shown earlier, the knowledge utilisation strategy is characterised by the willingness of employees to apply any ideas, or information from their colleagues in improving bakery products, or processes, or operating environment. This study recommends that bakeries have greater responsibilities in maintaining such readiness and willingness by stimulating open discussions among their staff in matters pertaining to knowledge utilisation processes. They also need to influence working environment that stimulates teamwork and develops mechanisms that instil an entrepreneurial workplace. This study further recommends that bakeries need to learn on how to manage the knowledge utilisation process, and all its outcomes in order to realise increased output and reduced production and operating costs. Bakeries need to be aware of the fact that knowledge utilisation process requires the full participation of relevant workforce in decision making process in order to easily manage the interconnectedness of duties, responsibilities, and operations.

As it has been seen earlier, the bakery products, processes, or operating environment can be improved by heavily utilising the information or ideas provided by customers, suppliers, agents,

or business partners. Such heavy reliance on these given information or ideas, enables bakeries to enhance their knowledge utilisation strategies. This study recommends that, before utilising them in the improvement processes, owners/managers have a responsibility of equipping their workforce with knowledge and skills in analysing and interpreting the relevant information and ideas given. They need to undergo frequent trainings that give them competencies in aligning business objectives and goals with the blended mix of ideas and relevant information provided by stakeholders whose demands and preferences differ significantly. Effective knowledge management and firm performance are all driven by well trained employees (Khaksar, Yaghoobi, Jahanshahi, & Nawaser, 2011). The role of owners/managers should be to provide support to their employees so that they can all the time value these ideas and relevant information and find mechanisms that will apply them in bakery operations and improvement processes without diluting their original tastes.

As it has been seen earlier, one of the components of knowledge utilisation techniques is the commitment of bakeries in regularly training their employees on how to report information to the customers, suppliers, agents, or business partners. As discussed earlier, these are business stakeholders whose needs, and interests need to be critically analysed before reporting relevant information such as solutions, or any feedback to them. In this regard, this study recommends that bakery owners/managers with their employees need to carefully analyse the required skills and suggest or outsource the best training approach that fits their needs. They need to consider a training structure that will equip them with skills on how to report matters pertaining to feedback, solutions against complaints, ideas, or demands from stakeholders, or general and specific information regarding bakery operations. These trainings should enable employees to understand the general and specific needs of each group of stakeholders and their corresponding characteristics so that they can make sound decisions and reporting, and ultimately consider reporting as a major driver of SME competitiveness.

As it has been noted earlier, the knowledge utilisation strategies are characterised by the enhanced capabilities of bakeries in storing, retrieving, and utilising data for improving products, or processes, or operating environment. This study recommends that bakeries need to develop data management policies that reflect their operating environment. In this regard, employees have to fully participate in the policy development process. They should be involved in developing policy objectives so that business operations, goals, and objectives can be easily linked with the developed policy. Additionally, employees and their managers need frequent trainings on how to store, retrieve, and apply data in business operations and decisions. In line with this, they also need to upgrade their skills in collecting, and analysing relevant and useful information. Developing effective policies for SMEs is a complex task. In this regard, the policy

developing institutions such as higher learning institutions, the government agencies and departments, and the non government organisations that offer free trainings on developing and managing start-ups and other established SMEs may be used by owners/managers in enhancing their capabilities in both policy development and data management. In order to have effective execution of data management practices, owners/managers need to develop and manage effective management information systems that reflect and consider the needs and characteristics of SMEs particularly bakeries. Generally, knowledge management practices need to enhance the business strategies (Greiner, Böhmann, & Krcmar, 2007).

As it has been noted earlier, bakeries need to frequently evaluate the impact of the applied generated ideas or information from employees, owners/managers, customers, suppliers, agents, and business partners, on the improvement of products, processes or operating environment. This study recommends that bakery owners/managers need to train their workforce on how to link the outcome with knowledge management practices in their bakery operations. This will also enable them to critically analyse, assess, and establish the benefits, and challenges of all the knowledge management decisions and practices done in their bakeries. Since all employees are directly and indirectly involved in applying knowledge in business operations at workplace, the study recommends that all employees need to participate in the evaluation process. In this regard, bakeries will be in a better position of correcting weaknesses revealed and improve the practices in collecting ideas, and relevant information, storing, retrieving, and utilising knowledge in the operations and ultimately increase their competitive advantages, performance, and competitiveness. Apart from the recommendations based on the managerial, and policy implications regarding the contribution of knowledge management strategies on bakery performance, the recommendations are also made regarding the contribution of other entrepreneurial strategies (networking).

7.3.5 Networking Strategies and Bakery Performance

The study recommendations are based on the managerial, and policy implications regarding the contribution of each networking strategy on bakery performance.

7.3.5.1 Network Formation and Bakery Performance

It has been confirmed that the size of the bakery moderates the relationship between network formation strategies and the number of customers in SME bakeries. The positive linear relationship between network formation strategies and the number of customers in bakeries with a basic size suggests that SMEs with a small number of employees need to develop mechanisms that intend to solidify the bond between SME members and their potential network members such as family members, friends, and fellow members in social groups in order to use such networks to attract more customers. The increased number of customers is likely to influence

profitability. In Tanzania for example, networking is regarded to be one of the major drivers of SME profitability (Nyangarika, 2016). On the other hand, it is confirmed that the age of the bakery moderates the relationship between network formation strategies and sales level in SME bakeries. The positive linear relationship between network formation strategies and sales level in bakeries with an advanced age suggests that SMEs need to employ their business skills, knowledge, and experience in managing changes, opportunities, and challenges in business environment; acquired in many years of operation to form and utilise effective networks and eventually drive sales. SMEs that have a basic age need to collaborate with more experienced SMEs in order to acquire knowledge and experience needed to compete.

As it has been concluded earlier, bakery employees and owners/managers can enhance their network formation initiatives by increasing their readiness and commitment in communicating their bakery business to close people such as friends, family members, and members of their social groups. It is therefore recommended that developing networks with close people should be facilitated by the commitment in offering quality bakery products and effective customer service in order to foster sustainability of the developed ties, and increase customer loyalty and dependability. They need to increase more friends and interactions in social groups in order to expand their networks. Bakery managers/owners have the responsibility of training their employees in order to acquire relationship skills. Bakeries need to maintain these relationships in order to sustain their business networks with close people who will indirectly increase the business awareness to their networks. Through effective relationship strategies, other business strategies such as marketing are executed smoothly (Kanagal, 2009). Additionally, the commitment in raising awareness to their friends, families, and to the members of their social groups should be influenced by the owners'/managers' readiness and willingness to create favourable working conditions at workplace.

As it has been discussed earlier, the network formation strategies in bakeries are defined by the commitment of bakery employees and owners/managers in striving to understand the interests of their family members, friends, and fellow members of the social groups in relation to their business. This study recommends that bakeries have the responsibility of revealing special treatment to their potential network members when collecting feedback, and understanding their interests and preferences so that these members once satisfied can be used to attract more potential network members and broaden bakery networks. Bakery employees and their owners/managers need to be regularly trained in order to acquire competencies that can blend the mix of interests and preferences of the potential network members and integrate them with bakery goals, and objectives in order to satisfy their needs through improved products, processes, and operating environment. Bakeries should also strive to collect feedback on the

improvements in order to understand more preferences and interests of their family members, friends, and members in social groups.

The study has also confirmed that network formation strategies are characterised by the willingness and commitment of bakeries to frequently train their employees and owners/managers on matters pertaining to communication, and relationship skills. This study recommends that communication and relationship skills are of paramount importance in attracting and managing potential network members. Bakeries need to acquire such capabilities in order to communicate their products, processes, and operating environment to potential network members. They also need to enhance their customer relationship management practices in order to foster sustainable networks with their family members, friends, and members of their social groups by addressing the needs, interests, and preferences through well managed interactions and social ties. Bakeries have the responsibilities of managing these relationships through the provision of superior customer service in order to attract and retain more network members through the influence of their well served family members, friends, and members of their social groups. Through such trainings, this study recommends that communication and relationship tactics need to be integrated with business operations, goals, and objectives in order to drive competitiveness and sustainability of SMEs. However, when there is an employee satisfaction, employee training can effectively drive customer satisfaction (Jaacob, 2014).

The study has also confirmed that network formation strategies in bakeries are defined by the commitment of bakeries in striving to create new relationships with individuals who are not family members, or friends, or fellow members of the social groups. This study recommends that SMEs need to budget for regular trainings that need to be offered to their employees and owners/managers in order to acquire competencies in establishing new social ties. It also recommends that the workforce needs to be motivated by the favourable working environment at their workplaces so that they can 'own' these responsibilities and become both self-driven and creative. In this regard, they will engage themselves in social ties that are driven by their engagements in community support activities, religious, and other forms of social gatherings. Bakeries should support the meetings and discussions carried out by both employees and owners/managers in order to share experiences met in establishing new interactions and social ties and encourage their workforce to accept disappointments met and develop mechanisms on how to address them and eventually come up with the best network development initiatives.

The study confirms that networks are developed by the readiness of SMEs to regularly interact with individuals based on the connections made by family members, friends, and fellow members of the social groups. These newly connected customers are those that are influenced by well served close individuals to bakery owners/managers and employees. This study

recommends that bakeries need to invest in the trainings of their people in order to acquire capabilities of managing and sustaining new relationships. Depending on the financial position of most Tanzanian SMEs, the budget may seem to be big. However, SMEs need to understand that such trainings impact their future performance and competitiveness. Owners/managers may utilise free or affordable entrepreneurship trainings offered by the higher learning institutions such as business schools, or government and nongovernmental organisations. Nevertheless, such trainings should be supplemented by favourable working conditions in order to drive employees' motivations. Additionally, satisfying the needs of both existing network members and the newly connected ones through improved products, processes, and operating environment needs to be a continued practice in order to broaden the bakery network through newly acquired members. Apart from the recommendations based on the managerial, and policy implications regarding the contribution of network formation on bakery performance, the recommendations are also made regarding the contribution of network intensity.

7.3.5.2 Network Intensity and Bakery Performance

It has been confirmed that the size of the bakery moderates the relationship between network intensity and the number of customers in SME bakeries. The positive linear relationship between network intensity and the number of customers in bakeries with a basic size suggests that SMEs need to create favourable working conditions that enable employees to interact more frequently and closely and share opportunities, challenges, and best practices in strengthening ties in their relationships with existing and potential network members such as family members, friends, and fellow members in social groups and attract more customers. On the other hand, it is confirmed that the age of the bakery moderates the relationship between network intensity and sales level in SME bakeries. The positive linear relationship between network intensity and sales level in bakeries with an advanced age suggests that SMEs need to employ their enormous experience in timely addressing relationship challenges within their networks and devise the best practices in solidifying their relationship ties in order to influence more sales. SMEs that have a basic age need to forge business collaborations such as strategic alliances with more experienced SMEs in order to acquire knowledge and experience needed to compete.

As it has been highlighted earlier, the extent in which bakery products, processes, and the operating environment are well known to the family members, friends, and fellow members of the social groups of the bakery owners/managers and employees, defines network intensity strategies. This study recommends that new start-ups need to extensively raise awareness of their businesses to their close people during the introduction stage of their businesses as a way of lowering marketing costs. They need to continue raising awareness in subsequent stages in order to sustain their networks. In subsequent stages, SMEs are likely to enjoy the connections

built by their family members, friends, and other close individuals during the introduction stage and eventually expand their network. SMEs can also start intensifying their networks at any business stage provided that they have managed to transform their customers to become friends, and fellow members in their social groups. However, network intensity needs to be sustained by pleasant customer service. Bakeries should not only boast in the great extent in which their businesses are well known by their close people, rather they need to understand that even close individuals are retained by good customer service.

The findings have provided enough evidence suggesting that the trust-sustained relationships between the bakery workforce and their family members, friends, and fellow members of the social groups characterise the network intensity strategies in bakeries. This study recommends that SMEs need to strive in understanding and defining trust based on the nature of their networks, customers and their preferences and interests, and strategic business operations, goals, and objectives. This will help them to devise and execute initiatives that build and strengthen trust-sustained business relationships. The trust-sustained relationships facilitate beneficial exchange (Bengesi & Le Roux, 2014). In order to succeed in these initiatives, bakery owners/managers and their subordinates have to undergo frequent trainings. These competencies should be acquired in order to enhance effective customer relationship management practices in SMEs. These practices are in turn building trust, attract more network members and customers, and eventually drive customer loyalty. They will also influence existing network members and potential customers to believe that they are served by trustworthy producers and eventually intensify the networks.

As it has been highlighted in the discussions, the network intensity strategies are characterised by the willingness of bakery team to interact with their family members, friends, and fellow members of the social groups in various social gatherings/events, and support them accordingly. This study recommends that bakeries need to understand and seriously consider the culture in which they operate in order to develop new business connections and intensify their network with culture-sensitive customers. In order to get access and support social events that involve their employees' friends and families, bakeries have the responsibility of creating favourable working conditions in order to stimulate the willingness of their employees to use their personal efforts in advancing business operations. Additionally, this study recommends that SMEs need to offer their direct support to these events in order to build trust, confidence, and sense of commitment and care in the minds of community members who are likely to become future loyal customers. As highlighted before, the support can be as little as providing free bakery products or price discounts.

This study has also confirmed that misunderstandings or differences arising between bakery team and their family members, friends, or fellow members of the social groups negatively impact bakery businesses. This is due to the fact that these groups of close individuals are the primary drivers of business networks with bakeries. The findings tell that the members of the bakery team, who heavily avoid, reduce and manage misunderstandings or differences between them and family members, friends, and fellow members of the social groups, fuel network intensity strategies. This study confirms that these misunderstandings or differences need to be managed in order to strengthen networks that stimulate growth and sustainability in bakeries. The study recommends that bakeries need to embark on training their workforce in acquiring competencies and capabilities in conflict resolution and be able to prevent, reduce, and control them from the very beginning. Nevertheless, patience needs to be integrated in all dispute management techniques (Bengesi & Le Roux, 2014). It should however be noted that avoided, reduced, and controlled conflicts should be those with direct or indirect effects to the wellbeing and competitiveness of bakeries. These are the conflicts arising in networks.

The study confirms that the most benefiting relationships between bakery staff and their close persons such as family members, friends, and fellow members of the social groups are strengthened in order to enhance network intensity techniques in bakeries. This study recommends that SMEs need to consider every social network as a driver of business collaborations. Owners/managers and their employees need to undergo frequent trainings in order to attain competencies in integrating social ties and business operations, objectives, and goals and ultimately be able to identify strategic relationships and expand networks. Additionally, they need to acquire competencies in critically analysing their social ties and evaluate their impact on business. This study argues that self evaluation may not reflect reality particularly in SMEs. In this regard, outsourcing may be a strategic option if bakeries intend to avoid biasness in their impact evaluation process. The impact assessment will enable bakeries to correct their weaknesses in managing social networks, and develop the best practices in enhancing social ties and connections for the betterment of bakery business.

As it has been revealed by the findings, social relationships between bakery members and their close individuals such as families, friends, and fellow members in social groups should be sustained by higher frequency of social interactions in order to establish strong social ties that intensify networks. This study recommends that the involvement in social interactions with close individuals should be prioritised by SMEs that seek growth. Bakeries have the responsibility of stimulating trust through these interactions in order to influence loyalty. Trust is built in by partners who honour promises and do not take advantage of one another (Miller, Besser, & Malshe, 2007). Owners/managers need to openly discuss with their employees in

order to develop mechanisms that facilitate interactions in order to access useful information regarding the bakery weaknesses, and its best practices so that informed decisions can be made to improve products, processes, and the operating environment. They need to understand that such improvement is likely to bring greater impact in business since it is driven by shared experience, knowledge, and advice from close individuals who trust the business and willing to support. Bakery employees should be trained in order to perceive all social interactions made as a strategic driver of business mission. Apart from the recommendations based on the managerial, and policy implications regarding the contribution of network intensity on bakery performance, the recommendations are also made regarding the contribution of interdependence.

7.3.5.3 Interdependence and Bakery Performance

It has been confirmed that the size of the bakery moderates the relationship between interdependence strategies and the number of customers in SME bakeries. The positive linear relationship between interdependence strategies and the number of customers in bakeries with a basic size suggests that SMEs with a small number of employees need to encourage both formal and informal interactions and collaborations with other entities of similar or related or different characteristics in order to benefit by increasing their number of employees. Bureaucracies in developing interdependences should be minimised significantly. These strategies need to be adopted by both medium-sized and large entities in order to expand their markets and compete effectively. On the other hand, it is confirmed that the age of the bakery moderates the relationship between interdependence and sales level in SME bakeries. The positive linear relationship between interdependence and sales level in bakeries with an advanced age proposes that SMEs need to employ their enormous experience in timely addressing collaboration challenges and develop the best practices that are likely to enhance low bureaucratic business environment in order to enhance interdependences with potential individuals and similar or related firms, and eventually drive positive sales performance.

As it has been discussed earlier, SME employees and owners/managers need to support the businesses run by their family members, friends, and fellow members of the social groups in order to foster interdependences that enhance network development practices in bakeries. This study recommends that bakery owners/managers need to acquire competencies in analysing the forms of support that can yield effective interdependences. In this regard, they also need to analyse the type of businesses owned by network members in order to identify and establish the areas in which collaborations, interdependences, alliances, or any form of business networks can take place. They also need to acquire skills in evaluating the impact of created interdependences in fostering long lasting business partnerships. As it has been highlighted earlier, these

partnerships may involve collaborations in executing joint operations such as purchasing (Karlsson, 2012), promotion, production, packaging, and logistics management. Nevertheless, these capabilities need to be acquired and strengthened through frequent trainings offered to both owners/managers and employees in order to create SMEs' competitive advantages, growth, and sustainability.

As it has been discussed earlier, access to useful information is critical in making informed decisions and achieving effective organisational operations in business (Radović-Marković & Vučeković, 2015). Such information can be provided by business stakeholders such as customers, suppliers, agents, or business partners. Close individuals to the bakery workforce such as family members, friends, and fellow members in social groups can share information that has a great impact in bakeries due to their commitment in supporting their close people's businesses. This study defines such commitment as initiatives to intensify interdependences between the bakery team and their close individuals. This study has confirmed that the willingness revealed by such individuals in sharing information that intends to improve products, processes, and operating environment in bakeries characterises strong social and business ties that define enhanced networks. In order to have sustained information sharing from close individuals, bakeries need to develop and improve their knowledge management systems in order to access, store, and apply the information given in improving products, processes, and the operating environment and provide them with feedback in order to stimulate trust. Additionally, bakeries have the responsibility of providing similar support whenever necessary in order to encourage further information sharing from network members.

As it has been concluded earlier, bakeries need to utilise the social ties existing between their workforce and their families, friends, and members of their social groups. This study confirms that these ties influence them to make decisions that please their friends and family members working in bakeries. In this regard, interdependences are defined. Through such readiness to act, bakeries get an opportunity to build and enhance social networks that can be transformed into becoming business connections. This study recommends that the commitment shown by family members, friends, and social group members should not be taken for granted. Instead, bakeries need to develop capabilities in collecting information regarding the interests, and preferences, or business characteristics of their social network members, analyse them, and apply them in improving customer service, intensifying social relationships, and create long lasting business partnerships. Nevertheless, in order to have sustained interdependences, bakeries need to train and support their owners/managers in positioning their businesses as trusted service providers in the minds of existing and potential network members.

In order to create effective interdependence strategies, this study confirms that bakery owners/managers have the responsibility of making decisions that please their close individuals such as family members, friends, and fellow members in social groups. This study recommends that before making such decisions, owners/managers and their subordinates must sit together and analyse them, share experiences, and devise the support that pleases network members without diluting business goals and objectives. The knowledge sharing meetings need to be open and motivating in order to stimulate employees to involve their families, and friends in decisions that benefit them and influence bakery competiveness. Nevertheless, trainings should be regularly offered to bakery employees in order to increase their competencies in integrating the support given to please their close individuals, their interests and preferences, and bakery goals, objectives, and operations. Additionally the goal of these trainings should be to equip bakeries to plan and execute interdependence strategies based on characteristics of their fellow social network members and their corresponding businesses, and the respective bakeries.

Entrepreneurial networks drive the success of SMEs (Perera, 2015). Entrepreneurial networks are created by the entrepreneurial spirit of both owners/managers and employees who seek to develop, manage, and strengthen their social interactions and ties with close individuals such as family and friends in order to broaden their business and attain mutual benefits. The study has also highlighted that bakeries develop social ties with their family members, friends, and members in their social groups in order to have interdependences that seek to maximise mutual benefits. As noted earlier, the goal of any business is to maximise the wealth of their owners. On the other hand, family members and friends have personal goals and that of their businesses. They want to see these goals being fulfilled particularly by trusted partners. This is because; developing a relationship with trusted partners reduces risks. Bakeries need to acquire capabilities in identifying and executing collaboration initiatives that can influence mutual benefits. They also need to acquire competencies in identifying risks that can be reduced by such networks and ultimately stimulate bakery competitiveness. In this regard, owners/managers have the responsibility of creating favourable learning environment in order to allow their employees to access networking knowledge, share experiences, and apply their knowledge in fostering trust, and maintaining networks. Academic institutions, and other organisations involved in enterprise development should develop training programs that suit the needs of SMEs and offer them free of charge or at affordable fees.

7.4 Contribution of the Study

As it has been mentioned earlier, this study sought to develop a framework that depicts the contribution of entrepreneurial strategies on SME performance in Tanzania-based bakeries. The study envisages that Tanzania-based small and medium-sized bakeries that adopt innovation,

risk-taking, marketing, knowledge management, and networking strategies are in a better position of advancing their competitiveness, growth, and sustainability. In this regard, they are likely to improve their capabilities to compete and address most of the challenges endangering their survival chances, and ultimately contribute significantly to the Tanzania's economic growth. The impact will be felt in the food industry, agricultural sector, and the supply chain pertaining to bakery business in Tanzania. Specifically, this study poses a contribution to practice, to knowledge, and to policy development. For example, based on this study, the owners/managers and employees will understand and adopt the best approaches that enable their enterprises to compete. These approaches include the best innovation, risk-taking, marketing, knowledge management, and networking practices that influence their bakery performance. In order to realize the performance, this study advises them to embrace business operations and practices that seek to develop a favourable working environment, improve the capabilities of the workforce, and manage and adapt to the firm growth. An understanding on how to manage business plans, stakeholders, and environment, and enhance business capabilities and systems that has been introduced by this study, enables small and medium-sized bakeries to forge their performance and competitiveness. A good performing business will ultimately attract potential investors, suppliers, and lenders, and eventually advance an enterprise's growth and sustainability. Such sustainability is a driver of increased job creation and government revenues whose impact on GDP growth is apparent. The contribution of this study to the body of knowledge is significant. The study has been able to develop and integrate business initiatives and entrepreneurial practices based on both theoretical and empirical evidences, and eventually introduce entrepreneurial strategies that have ultimately been regarded as the major drivers of SME performance. In this regard, the academic and research community will acquire knowledge on strategies that advance the competitiveness of SMEs in a developing economy and bakery industry, and be in a position to translate and apply the developed framework in other industries, sectors, and economies. They are likely to develop new insights in developing business models and theories that will become yardsticks in improving the capabilities, competitiveness, performance, growth, and sustainability of SMEs. These studies will ultimately influence the development of appropriate policies that benefit the SMEs and other players in relevant business environment and economies. The key players in policy development process include the government and its respective institutions, organisations that support SME development, academic and research institutions, and relevant SMEs to mention a few. Therefore, based on this study, matters pertaining to enhancing capabilities to compete, and mechanisms that seek to address the challenges faced by the relevant SMEs can be integrated in the policy development process and eventually become the key components of the new and reviewed SME policies and other related policies.

7.5 Limitations of the Study

The focus of the study was on the organisational practices, operations, and initiatives. In this regard, the study got information from the bakery owners/managers since they are the heads, and chief spokespersons of their organisations. However, employees participate fully in designing and implementing their bakeries' business strategies. Therefore, they have a lot of information that would provide a broad picture in regard to practices, operations, and initiatives within the bakeries and in the market. Although, there were a few cases in which the owner/manager involved employees to discuss and uniformly provide answers to the questionnaire, and the survey; to a great extent, everything was left in the hands of the owners/managers who might not be able to provide specific and detailed information at all times.

7.6 Areas for Further Studies

The study recommends that entrepreneurial-SME performance studies can be conducted in other sectors other than bakeries and in other developing economies other than Tanzania in order to widen up the understanding of the framework. These studies can involve the participation of other stakeholders such as customers, employees, suppliers, competitors, and the regulatory bodies. The studies can also seek to provide insights on the challenges facing the development and implementation of entrepreneurial strategies in SMEs across sectors and in different economies. Nevertheless, a study can be done to compare the frameworks between developing and developed economies.

7.7 Chapter Summary

This chapter has given the conclusion and recommendations of the study based on the variables characterising entrepreneurial strategies in bakeries, and their contribution to bakery performance. The conclusion has also included the summary of the findings by reflecting the SME environment, and the operations, initiatives, and practices of bakeries. The conclusion on the moderator variables, the variables characterising the entrepreneurial strategies, and their contribution on the bakery performance has been drawn. This conclusion has also been supported by literature from relevant studies. The support of relevant literature has also been realised in the recommendations given. In this chapter, recommendations have been given in relation to bakery age, bakery size, owner's/manager's education, owner's/manager's business experience, human resource competency, and owner's/manager's gender. The recommendations have also been given in relation to the variables characterising each category of the entrepreneurial strategies: innovation, risk-taking, marketing, knowledge management, and networking, and their contribution on bakery performance. These recommendations have been made based on the managerial, and policy implications regarding the contribution of entrepreneurial strategies on bakery performance. On the other hand, the chapter has highlighted

the contribution of the study, its limitations, and its proposing of further studies in which more sectors, economies, and stakeholders will be considered.

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APPENDICES

Appendix 1: English Questionnaire

Questionnaire

Dear Bakery Owner/Manager,
This questionnaire seeks information on entrepreneurial strategies in bakeries in Tanzania. I would appreciate if you could answer a few questions listed in the questionnaire. The information you provide will be used for academic purposes only. The researcher is a Tanzanian and a PhD student at the University of KwaZulu-Natal in South Africa.

Instructions
Fill the blank and tick or cycle a true answer where needed

Part A: General information

1. What is the name of your bakery.....
2. When did your bakery start operating?.....
3. In which region is your bakery operating?.....
4. In which district is your bakery operating?.....
5. How many employees does your bakery have?.....
6. What products does your bakery produce?.....
7. State your agreement level on the following statement:
   Our team behaves professionally, is well trained, and rewarded accordingly
   1. My agreement level is above 50% 2. My agreement level is below 50%
8. State your business experience in terms of years.....
9. What is your highest level of education?

Education level	Tick (√)	Education level	Tick (√)
Primary education		Bachelor degree	
Ordinary Secondary Education (O-level)		Postgraduate diploma	
Advanced Secondary Education (A-level)		Master degree	
Certificate		PhD	
Diploma			

10. What is your gender?
    1. Male 2. Female
11. Are you a Tanzanian?
    1. Yes 2. No

Part B: State your agreement level on the following statements:

Key: **7.** Strongly agree **6.** Agree **5.** Agree somewhat **4.** Undecided **3.** Disagree somewhat **2.** Disagree **1.** Strongly disagree

Important: Base your response on what has been happening in three years now

No.	Statement	7	6	5	4	3	2	1
SL	Our sales level has increased significantly							
CM	The number of customers has increased significantly							
CT	Our production and operating costs have decreased significantly							
OT	Our production/output level has increased significantly							
EIP1	Our employees are frequently encouraged to generate ideas that will improve our products							
EIP2	We fully analyse all the reasons for any improvement to our products							
EIP3	We make efforts to ensure that our employees have a relevant							

	knowledge and technical know-how needed to improve our products							
EIP4	We test the performance of any improvement made to our products							
EIP5	We frequently evaluate the performance of any improvement made to our products							
CFI1	Any improvement made to our products, or processes, or operating environment is consistent with our customers' preferences and interests							
CFI2	Any improvement made to our products, or processes, or operating environment can be easily considered and understood by our customers							
CFI3	Any improvement made to our products, or processes, or operating environment benefits our customers (i.e in terms of affordability, and convenience)							
CFI4	Any improvement made to our products, or processes, or operating environment can easily be observed and explained by customers							
CFI5	Our customers are always requested to suggest any area of improvement in regard to our products, or processes, or operating environment							
EIE1	We make effort to ensure that our operating environment facilitates innovation							
EIE2	Our employees are interested in doing tasks that are appealing and personally challenging							
EIE3	All our improvement tasks are assigned to individuals who are motivated to carry out a particular improvement task							
EIE4	The management is ready to support ideas and other improvement initiatives from our employees							
EIE5	Whenever engaged in improving our products, or processes, or operating environment, we are always ready to bear the result's consequences, and reveal a sense of perseverance, and tolerance							
PI1	We have the relevant knowledge and technical know-how in foreseeing potential hazards							
PI2	We do integrate potential hazards in our day to day operations							
PI3	We do make an in-depth analysis before we enter any contract with any supplier or business partner							
PI4	We frequently find whether there are any changes in our business environment related to pricing, technology, products, policies, legal requirements etc.							
PI5	We are capable of developing and using a backup plan whenever unexpected changes in our business and operating environment happen							
CI1	We keep on replacing our appliances and other equipments with new ones as per technical advice							
CI2	We frequently evaluate the performance of our contracts with our suppliers, agents or business partners							
CI3	We frequently test the performance of our product development processes							
CI4	We frequently test the performance of our operating procedures							
CI5	We frequently request for feedback from customers in regard to our product performance in terms of price, packaging,							

	ingredients, taste etc.							
SI1	We frequently analyse the strengths and weaknesses of our major competitors							
SI2	We frequently request for feedback from employees about their satisfaction level against their working environment							
SI3	We are ready to incur any additional cost to meet our customers' demands							
SI4	We are ready to incur any additional cost to comply with the legal requirements							
SI5	We are always ready to invest in any risky business that will yield significant returns							
SI6	We have applied and acquired big loans							
PS1	We heavily concentrate on product packaging							
PS2	We frequently add new products in our market							
PS3	We frequently remove poorly performing products							
PS4	We make every effort possible to increase our product reputation							
PS5	To a great extent, our product features are customer-driven							
PRS1	We consider customer satisfaction as a key factor in price setting							
PRS2	We offer various forms of discounts							
PRS3	We offer market driven prices							
PRS4	Our customers can link product quality and price							
PRS5	Our prices differ from that of competitors							
DS1	We deliver customer orders on time							
DS2	We often deliver products as per customer's requirements							
DS3	Product delivery costs are borne by the bakery							
DS4	We use agents (i.e restaurants, shops, food stores, supermarkets, vendors) in distributing our products							
DS5	We have the best storage facilities at our bakery							
DS6	We make every effort to reduce order processing time							
PM1	One of the preferred means of communicating our products is through leaflets and brochures							
PM2	One of the preferred means of communicating our products is through social media							
PM3	We personally communicate our products to potential individual customers							
PM4	We personally communicate our products to potential agents (i.e restaurants, shops, food stores, supermarkets, vendors)							
PM5	The most preferred means of communicating our products is through employee reputation							
PM6	Managing the relationship with customers is our core duty							
KC1	Our employees always develop ideas that will improve our products, or processes, or operating environment							
KC2	Our working environment allows employees to generate ideas in regard to the improvement of our products, or processes, or operating environment							
KC3	We regularly train our employees in regard to analysing information from the customers, suppliers, agents, or business partners							
KC4	In most cases, our bakery links the employee-given ideas with those given by customers, suppliers, agents, or business partners in order to acquire a common ground							

KC5	We have put mechanisms on how to receive suggestions, complains, ideas, or any relevant information from our customers, suppliers, agents, or business partners							
KS1	Our employees are willing to share, and have been sharing any idea, or information that can improve our products, or processes, or operating environment							
KS2	All information or ideas in regard to the improvement of our products, or processes, or operating environment are openly discussed by all staff							
KS3	Our working environment allows employees to share, and discuss ideas or information in regard to the improvement of our products, or processes, or operating environment							
KS4	There is a maximum interaction between our employees and customers, suppliers, agents, or business partners							
KS5	The feedback on the progress of the employee-given/generated information is given timely							
KU1	Our employees are willing to apply, and do apply any ideas, or information from their colleagues to improve our products, or processes, or operating environment							
KU2	Our bakery heavily relies on the information or ideas given by customers, suppliers, agents, or business partners							
KU3	We regularly train our employees in regard to reporting information to the customers, suppliers, agents, or business partners							
KU4	Our bakery have the capabilities to store, retrieve, and use data in improving our products, or processes, or operating environment							
KU5	After applying the generated ideas or given information, we usually evaluate their impact on the improvement of our products, processes or operating environment							
NF1	We frequently communicate our business to our family members, friends, and social groups							
NF2	We always strive to understand the interests of our family members/friends/fellow members of the social groups in relation to our business							
NF3	We always train ourselves in regard to communication, and relationship skills							
NF4	We always seek to create new relationships with individuals who are not family members/friends/fellow members of the social groups							
NF5	To a great extent, we interact with individuals based on the connections made by family members/friends/fellow members of the social groups							
NI1	Our business is well known by our family members/friends/fellow members of the social groups							
NI2	The relationship between us and our family members, friends, and fellow members of the social groups is sustained by trust							
NI3	We frequently interact with family members/friends/fellow members of the social groups in various social gatherings/events, and support them accordingly							
NI4	We heavily seek to avoid, reduce and manage misunderstandings or differences between us and family members/friends/fellow members of the social groups							
NI5	We always seek to strengthen the most benefiting relationship							

	between us and family members/friends/fellow members of the social groups							
NI6	Our relationships with family members/friends/fellow members of the social groups is sustained by frequent interactions							
ND1	We support the businesses run by family members/friends/fellow members of the social groups							
ND2	Family members, friends, fellow members of the social groups are ready to share, and do share with us relevant information regarding our business							
ND3	To a great extent, family members/friends/fellow members of the social groups are ready to act in order to please us							
ND4	To a great extent, we always act to please our family members/friends/fellow members of the social groups							
ND5	The relationship between us and family members/friends/fellow members of the social groups is based on mutual benefit							

Appendix 2: Kiswahili Questionnaire

Dodoso

Mpendwa Mmiliki/Meneja wa Biashara ya Kutengeneza Bidhaa za Kuokwa (Mikate n.k),
Dodoso hili linatafuta taarifa kuhusiana na mikakati ya kijasiriamali katika biashara ya bidhaa za kuokwa Tanzania. Nitashukuru endapo utajibu maswali machache yaliyoko kwenye dodoso hili. Taarifa utakazotoa zitatumika kwa ajili ya malengo ya kitaaluma tu. Mtafiti ni Mtanzania na mwanafunzi wa Shahada ya Uzamivu (PhD), Chuo Kikuu cha KwaZulu-Natal, Afrika ya Kusini.

Maelekezo
Jaza nafasi iliyo wazi na weka alama ya vema au zungushia jibu la kweli pale inapohitajika

Sehemu A: Taarifa za Jumla

1. Taja jina la biashara yako ya bidhaa za kuokwa.....
2. Je biashara yako ya bidhaa za kuokwa ilianza lini?.....
3. Biashara yako ya bidhaa za kuokwa iko mkoa gani?.....
4. Biashara yako ya bidhaa za kuokwa iko wilaya gani?.....
5. Biashara yako ya bidhaa za kuokwa ina wafanyakazi wangapi?.....
6. Biashara yako ya bidhaa za kuokwa inazalisha bidhaa gani?.....
7. Eleza ukubali wako kuhusiana na tamko hili:
   Timu yetu ina weledi, ina mafunzo ya kutosha, na inalipwa kama inavyotakiwa
   2. Ninakubaliana na hili kwa zaidi ya 50%
   3. Ukubali wangu katika hili ni chini ya 50%
8. Je una uzoefu wa miaka mingapi katika biashara mbalimbali?.....
9. Kiwango chako cha juu cha elimu ni kipi kati ya hivi vilivyoko kwenye jedwali?

Kiwango cha Elimu	Weka alama ya vema (√)	Kiwango cha Elimu	Weka alama ya vema (√)
Elimu ya msingi		Shahada	
Kidato cha nne		Stashahada ya Uzamili	
Kidato cha sita		Uzamili	
Astashahada (cheti)		Uzamivu	
Stashahada			

10. Wewe ni jinsia gani?
    1. Mwanaume 2. Mwanamke
11. Wewe ni Mtanzania?
    1. Ndiyo 2. Hapana

Sehemu B: Eleza ukubali wako kuhusiana na matamko haya:
Ufunguo:
7. Ninakubali kwa kiwango cha juu sana **6.** Ninakubali **5.** Ninakubali kiasi fulani
4. Sijui **3.** Kwa kiasi fulani sikubali **2.** Sikubali **1.** Sikubali kwa kiwango cha juu sana

Muhimu: Jibu lako liegemee katika mambo yaliyofanyika kwa miaka mitatu hadi sasa

No.	Tamko	7	6	5	4	3	2	1
SL	Mauzo yetu yameongezeka kwa kiwango cha juu							
CM	Idadi ya wateja imeongezeka kwa kiwango cha juu							
CT	Gharama zetu za uzalishaji na uendeshaji zimeshuka sana							
OT	Uzalishaji wetu umeongezeka kwa kiwango cha juu							
EIP1	Mara kwa mara, wafanyakazi wetu hutiwa moyo kubuni mawazo ambayo yataboresha bidhaa zetu							
EIP2	Kwa kiwango kinachotakiwa, tunachambua sababu zote zinazohusiana na uboreshaji wowote katika bidhaa zetu							

EIP3	Tunajitahidi kuhakikisha kuwa wafanyakazi wetu wana ufahamu na utaalamu wa kila aina unaotakiwa kuboresha bidhaa zetu							
EIP4	Tunafanya majaribio ya kuona kama uboreshaji unaofanywa katika bidhaa zetu una matokeo mazuri							
EIP5	Mara kwa mara, tunafanya tathmini ya matokeo ya uboreshaji wowote uliofanyika katika bidhaa zetu							
CFI1	Uboreshaji wowote unaofanywa katika bidhaa zetu, au michakato, au mazingira ya utendaji kazi, unaendana na kile wateja wetu wanatamani na kupendelea							
CFI2	Uboreshaji wowote unaofanywa katika bidhaa zetu, au michakato, au mazingira ya utendaji kazi, ni rahisi kupokelewa na kueleweka na wateja wetu							
CFI3	Uboreshaji wowote unaofanywa katika bidhaa zetu, au michakato, au mazingira ya utendaji kazi, unawafaidisha wateja wetu (kwa mfano kumudu bei, na urahisi katika upatikanaji na utumiaji wa bidhaa)							
CFI4	Uboreshaji wowote unaofanywa katika bidhaa zetu, au michakato, au mazingira ya utendaji kazi, unaonekana kwa urahisi na unaweza kufafanuliwa kwa urahisi na wateja wetu							
CFI5	Siku zote tunawaomba wateja wetu kupendekeza eneo lolote la uboreshaji unaohusiana na bidhaa zetu, au michakato, au mazingira ya utendaji kazi							
EIE1	Tunaweka juhudi za kila aina kuhakikisha kuwa mazingira yetu ya utendaji kazi yanarahisisha ubunifu							
EIE2	Wafanyakazi wetu wanapendelea majukumu yanayowavutia na kuwapa changamoto							
EIE3	Majukumu yetu yote yaliyoboreshwa yamegawanywa kwa wafanyakazi ambao wamehamasika kuyafanya							
EIE4	Utawala uko tayari kuunga mkono mawazo na mipango mingine ya uboreshaji inayotolewa na wafanyakazi wetu							
EIE5	Kila tunapojihusisha na uboreshaji wa bidhaa zetu, au michakato, au mazingira ya utendaji kazi, mara zote tuko tayari kubeba gharama za matokeo, huku tukiwa wenye subira na wavumilivu							
PI1	Tunayo maarifa na utaalamu unaotakiwa katika kubashiri hatari zozote zinazoweza kujitokeza							
PI2	Huwa tunazijumuisha na kuzizingatia hatari zozote zinazoweza kujitokeza katika utendaji kazi wetu wa siku kwa siku							
PI3	Kabla hatujaingia katika mkataba wowote na mzabuni wetu au mshirika wetu wa kibiashara, huwa tunafanya uchambuzi wa kina							
PI4	Mara kwa mara tunatafuta kujua kama kuna mabadiliko yeyote katika mazingira yetu ya kibiashara yanayohusiana na bei, teknolojia, bidhaa, sera, matakwa ya kisheria n.k							
PI5	Tunao uwezo wa kutengeneza na kutumia mkakati wa dharura kila kutakapokuwa na mabadiliko yasiyotarajiwa katika biashara yetu na mazingira yetu ya utendaji kazi							
CI1	Tunabadilisha mashine na vifaa vyetu na kuweka vipya kulingana na ushauri wa kitaalamu							
CI2	Mara kwa mara tunafanya tathimini ya mafanikio ya mikataba yetu na wazabuni, mawakala au washirika wetu wa kibiashara							
CI3	Mara kwa mara tunapima utendaji kazi wa michakato ya							

	utengenezaji wa bidhaa zetu							
CI4	Mara kwa mara tunapima matokeo ya njia zetu za utendaji kazi							
CI5	Mara kwa mara tunawaomba wateja wetu kutupa mrejesho wa mafanikio ya bidhaa zetu katika bei, vifungashio, ladha, vitu vilivyowekwa kwenye bidhaa n.k							
SI1	Mara kwa mara tunachambua nguvu na udhaifu wa washindani wetu wakubwa							
SI2	Mara kwa mara tunawaomba wafanyakazi wetu kutupa mrejesho kuhusiana na kuridhika kwao na mazingira yao ya kazi							
SI3	Tuko tayari kuingia gharama za ziada ili kutimiza mahitaji ya wateja wetu							
SI4	Tuko tayari kuingia gharama za ziada ili kutimiza matakwa ya kisheria							
SI5	Mara zote tuko tayari kuwekeza katika biashara zenye changamoto kubwa na ambazo zinazaa faida kubwa							
SI6	Tumeomba na kupata mkopo mkubwa							
PS1	Kwa kiwango kikubwa tunajikita katika ufungashaji wa bidhaa zetu							
PS2	Mara kwa mara tunaongeza bidhaa mpya katika soko letu							
PS3	Mara kwa mara tunaziondoa bidhaa zenye matokeo hafifu							
PS4	Tunaweka juhudi kubwa katika kupandisha hadhi ya bidhaa zetu							
PS5	Kwa kiwango kikubwa, vitu vilivyoko kwenye bidhaa zetu vinatokana na msukumo wa wateja							
PRS1	Katika kupanga bei tunaangalia zaidi kama wateja wetu wataridhika							
PRS2	Tunatoa punguzo za bei za aina nyingi							
PRS3	Bei zetu zinasukumwa na nguvu ya soko							
PRS4	Wateja wetu wanaweza kuoanisha bei zetu na ubora wa bidhaa zetu							
PRS5	Bidhaa zetu zinatofautiana na za washindani wetu							
DS1	Tunafikisha bidhaa zilizoagizwa na wateja wetu kwa wakati							
DS2	Mara kwa mara tunamletea mteja bidhaa zake kulingana na jinsi alivyotaka							
DS3	Gharama za kufikisha bidhaa kwa mteja tunazibeba sisi							
DS4	Tunawatumia mawakala (kama vile migahawa, maduka ya kawaida, maduka ya vyakula, maduka makubwa ya bidhaa, wauzaji wadogo wadogo) katika kusambaza bidhaa zetu							
DS5	Tuna vyombo/mashine nzuri za kuhifadhia bidhaa zetu							
DS6	Tunafanya kila jitihada kuhakikisha tunapunguza muda wa mchakato wa kumtimizia mteja mahitaji yake							
PM1	Mojawapo ya njia tunazopenda kuzitumia katika kutangaza bidhaa zetu ni kupitia vijizuu na vipeperushi							
PM2	Mojawapo ya njia tunazopenda kuzitumia katika kutangaza bidhaa zetu ni kupitia mitandao ya kijamii							
PM3	Tunatangaza bidhaa zetu kwa wateja wetu watarajiwa moja kwa moja							
PM4	Tunatangaza bidhaa zetu kwa mawakala watarajiwa (kama vile migahawa, maduka ya kawaida, maduka ya vyakula, maduka makubwa ya bidhaa, wauzaji wadogo wadogo)							
PM5	Njia ambayo tunapendelea sana kuitumia katika kutangaza bidhaa zetu ni kupitia hadhi/heshima walizonazo wafanyakazi							

	wetu							
PM6	Kusimamia mahusiano kati yetu na wateja wetu ni jukumu letu la msingi							
KC1	Mara kwa mara, wafanyakazi wetu hubuni mawazo mapya yenye lengo la kuboresha bidhaa, michakato, na mazingira yetu ya utendaji kazi							
KC2	Mazingira yetu ya utendaji kazi hutoa nafasi kwa wafanyakazi wetu kubuni mawazo mapya kwa ajili ya kuboresha bidhaa, au michakato, au mazingira yetu ya utendaji kazi							
KC3	Mara kwa mara tunatoa mafunzo kwa wafanyakazi wetu juu ya namna ya kuchambua taarifa kutoka kwa wateja, wazabuni, mawakala, au washirika wa kibiashara							
KC4	Mara nyingi, biashara yetu huhusianisha mawazo yanayotolewa na wafanyakazi na yale yanayotolewa na wateja, wazabuni, mawakala, au washirika wa kibiashara ili kupata mwafaka							
KC5	Tumeweka utaratibu wa kupokea maoni, malalamiko, mawazo, au taarifa yeyote muhimu kutoka kwa wateja wetu, wazabuni, mawakala, au washirika wa kibiashara							
KS1	Wafanyakazi wetu wako tayari kupashana, na wamekuwa wakipashana wazo lolote, au taarifa yeyote ambayo inaweza kuboresha bidhaa zetu, au michakato, au mazingira ya utendaji kazi							
KS2	Taarifa zote au mawazo yeyote juu ya uboreshaji wa bidhaa zetu, au michakato, au mazingira ya utendaji kazi zinajadiliwa kwa uwazi na wafanyakazi wetu wote							
KS3	Mazingira yetu ya kazi hutoa nafasi kwa wafanyakazi wetu kupashana, na kujadili mawazo mapya au taarifa juu ya uboreshaji wa bidhaa zetu, au michakato, au mazingira ya utendaji kazi							
KS4	Kuna kuchangamana kwa hali ya juu kati ya wafanyakazi wetu na wateja, wazabuni, mawakala, au washirika wetu wa kibiashara							
KS5	Mrejesho kuhusiana na maendeleo ya ushughulikiaji wa taarifa zinazoletwa na wafanyakazi wetu unafanyika kwa wakati							
KU1	Wafanyakazi wetu wako tayari kutumia, na hutumia mawazo yeyote, au taarifa zozote kutoka kwa wenzao ili kuboresha bidhaa zetu, au michakato, au mazingira ya utendaji kazi							
KU2	Biashara yetu inategemea sana taarifa au mawazo yanayotolewa na wateja, wazabuni, mawakala, au washirika wetu wa kibiashara							
KU3	Mara kwa mara, tunawapa wafanyakazi wetu mafunzo ya namna ya kuwasilisha taarifa kwa wateja, wazabuni, mawakala, au washirika wetu wa kibiashara							
KU4	Biashara yetu ina uwezo wa kuhifadhi, kuzichukua, na kuzitumia taarifa katika kuboresha bidhaa zetu, au michakato, au mazingira ya utendaji kazi							
KU5	Baada ya kutumia mawazo au taarifa tunazopewa, tuna kawaida ya kufanya tathimini kuona mchango wake katika kuboresha bidhaa, michakato, au mazingira ya utendaji kazi							
NF1	Mara kwa mara, tunatangaza biashara yetu kwa wanafamilia, rafiki zetu, na makundi yetu ya kijamii							
NF2	Mara zote tunahangaika kuelewa kile ambacho							

	wanafamilia/rafiki zetu/wenzetu katika makundi ya kijamii wanatamani na kupendelea kuhusiana na biashara yetu							
NF3	Mara zote tunajipa mafunzo ya kujenga uwezo wa kujenga mahusiano na kuwasiliana							
NF4	Mara zote tunatafuta nafasi ya kutengeneza mahusiano mapya na watu ambao si wanafamilia/rafiki zetu/wenzetu katika makundi ya kijamii							
NF5	Kwa kiwango kikubwa, tumechangamana na watu mbalimbali tunaofahamiana nao kupitia wanafamilia/rafiki/wenzetu katika makundi ya kijamii							
NI1	Biashara yetu inafahamika vizuri miongoni mwa wanafamilia/rafiki/wenzetu katika makundi ya kijamii							
NI2	Uhusiano kati yetu na wanafamilia, rafiki, na wenzetu katika makundi mbalimbali ya kijamii unaimarishwa na jinsi tunavyoaminiana							
NI3	Mara kwa mara tunachangamana na wanafamilia/rafiki/wenzetu katika makundi ya kijamii kupitia mikusanyiko/matukio mbalimbali ya kijamii na kuwaunga mkono kadri inavyotakiwa							
NI4	Kwa kiwango kikubwa, tunatafuta nafasi ya kuepuka, kupunguza, na kuhimili kutokuelewana au tofauti kati yetu na wanafamilia/rafiki/wenzetu katika makundi ya kijamii							
NI5	Mara zote tunatafuta nafasi ya kuimarisha mahusiano yenye tija kati yetu na wanafamilia/rafiki/wenzetu katika makundi ya kijamii							
NI6	Uhusiano kati yetu na wanafamilia/rafiki/wenzetu katika makundi mbalimbali ya kijamii unaimarishwa na jinsi tunavyochangamana nao mara kwa mara							
ND1	Tunaziunga mkono biashara zinazofanywa na wanafamilia/rafiki/wenzetu katika makundi mbalimbali ya kijamii							
ND2	Wanafamilia, rafiki, na wenzetu katika makundi mbalimbali ya kijamii wako tayari kutupatia, na hutupatia taarifa muhimu kuhusu biashara yetu							
ND3	Kwa kiwango kikubwa, wanafamilia/rafiki/wenzetu katika makundi mbalimbali ya kijamii wako tayari kufanya jambo ili waturidhishe							
ND4	Kwa kiwango kikubwa, mara zote tunafanya jambo ili kuwaridhisha wanafamilia/rafiki/wenzetu katika makundi mbalimbali ya kijamii							
ND5	Uhusiano kati yetu na wanafamilia/rafiki/wenzetu katika makundi mbalimbali ya kijamii umejengwa na manufaa kwa pande mbili							

Appendix 3: Interview Guide

Interview Guide

1. What mechanisms do you employ in improving your bakery products?
2. How do your customers perceive the improvements made in (1) above?
3. How does the operating environment in your bakery support the improvements in (1) above?
4. How does your bakery foresee potential risks?
5. How does your bakery control the risks in (4) above?
6. How do you manage unexpected changes affecting your bakery?
7. Why does your bakery offer such products?
8. What drives the prices of your bakery products?
9. What are your bakery's distribution techniques?
10. How does your bakery promote its products?
11. What mechanisms do you use in your bakery to create knowledge?
12. What are the mechanisms used by your bakery to share knowledge?
13. What are the mechanisms used by your bakery to utilize knowledge?
14. How do you form networks related to your bakery operations?
15. What defines your networks in (14) above?
16. What sustains your networks in (14) above?

Appendix 4: Confirmation of Intention to Submit Thesis

COLLEGE OF LAW AND MANAGEMENT STUDIES

HIGHER DEGREES

CONFIRMATION OF INTENTION TO SUBMIT DISSERTATION/THESIS

(*THIS FORM IS TO BE COMPLETED THREE MONTHS BEFORE SUBMISSION OF MASTERS DISSERTATIONS, AND THREE MONTHS BEFORE SUBMISSION OF PHD THESIS, AND HANDED IN AT THE SCHOOL OFFICE)*

NAME OF STUDENT:	Kafigi Nicholaus Jeje
STUDENT NUMBER:	217050911
DEGREE:	PhD (Management)
SCHOOL:	School of Management, Information Technology, and Governance
NAME OF SUPERVISOR:	Dr. Vannie Naidoo
TITLE OF DISSERTATION/THESIS:	Entrepreneurial Strategies and SME Performance in Bakeries in Tanzania

PLEASE SUBMIT AN ABSTRACT NOT EXCEEDING 350 WORDS

DATE OF INTENTION TO SUBMIT:	12th July 2019
E-MAIL ADDRESS:	217050911@stu.ukzn.ac.za

SUPERVISOR'S SIGNATURE: DATE: 12th April 2019

Appendix 5: Ethical Clearance

UNIVERSITY OF KWAZULU-NATAL
INYUVESI YAKWAZULU-NATALI

19 November 2018

Mr Kafigi Nicholaus Jeje (217050911)
School of Management, IT & Governance
Westville Campus

Dear Mr Jeje,

Protocol reference number: HSS/1921/018D
Project title: Entrepreneurial strategies and SME Performance in bakeries in Tanzania

Approval Notification – Expedited Application

In response to your application received on 23 October 2018, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL.**

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

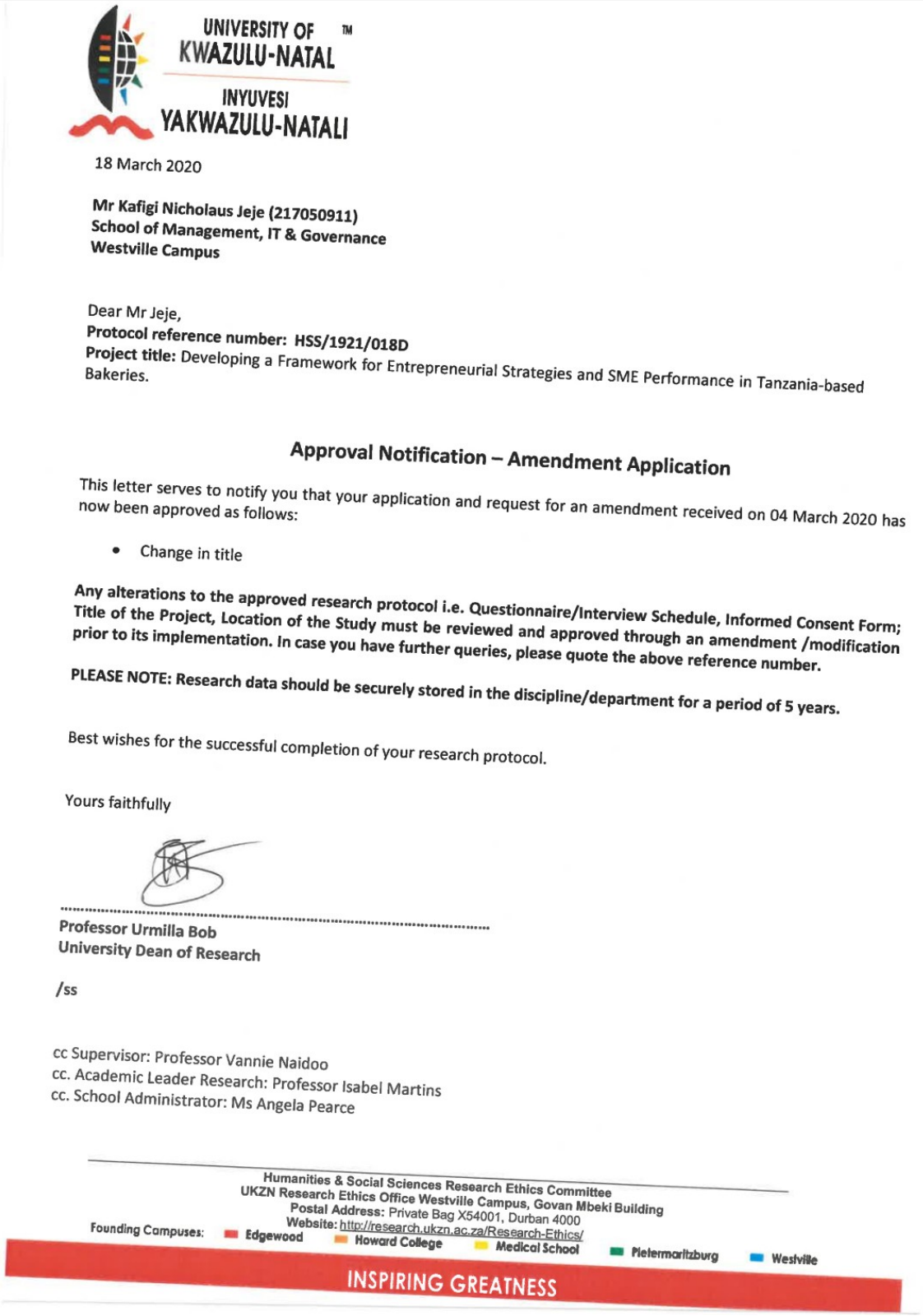
.....
Dr Shamila Naidoo (Deputy Chair)

/ms

Cc Supervisor: Dr Vannie Naidoo
cc Academic Leader Research: Professor Isabel Martins
cc School Administrator: Ms Angela Pearce

Humanities & Social Sciences Research Ethics Committee
Professor Shenuka Singh (Chair) / Dr Shamila Naidoo (Deputy Chair)
Westville Campus, Govan Mbeki Building
Postal Address: Private Bag X54001, Durban 4000
Telephone: +27 (0) 31 260 3587/8350/4557 **Facsimile:** +27 (0) 31 260 4609 **Email:** ximbap@ukzn.ac.za / snymanm@ukzn.ac.za / mohunp@ukzn.ac.za
Website: www.ukzn.ac.za

Appendix 6: Ethical Clearance (Amendment)



UNIVERSITY OF KWAZULU-NATAL
INYUVESI YAKWAZULU-NATALI

18 March 2020

Mr Kafigi Nicholaus Jeje (217050911)
School of Management, IT & Governance
Westville Campus

Dear Mr Jeje,
Protocol reference number: HSS/1921/018D
Project title: Developing a Framework for Entrepreneurial Strategies and SME Performance in Tanzania-based Bakeries.

Approval Notification – Amendment Application

This letter serves to notify you that your application and request for an amendment received on 04 March 2020 has now been approved as follows:

- Change in title

Any alterations to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form; Title of the Project, Location of the Study must be reviewed and approved through an amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

Best wishes for the successful completion of your research protocol.

Yours faithfully

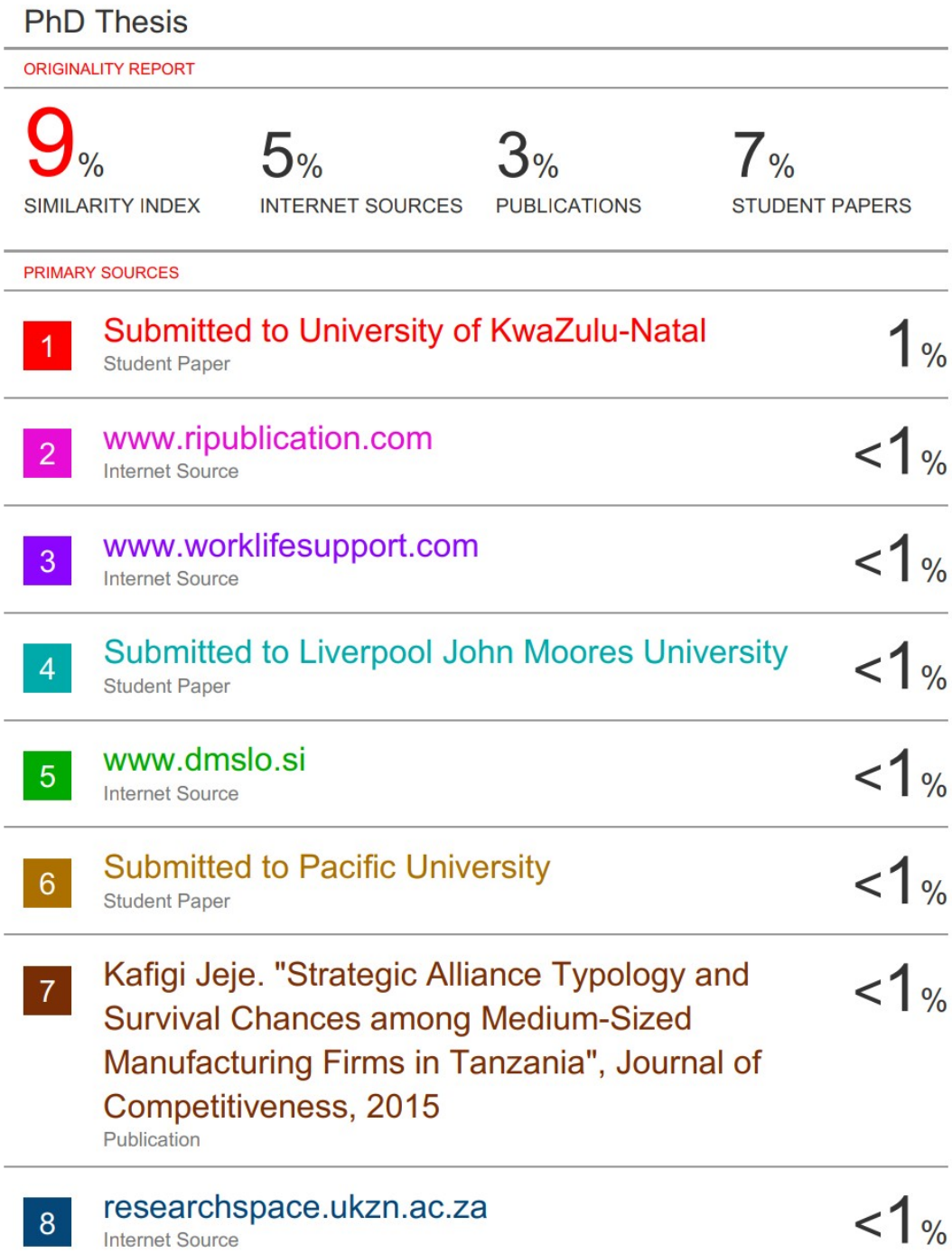
.....
Professor Urmilla Bob
University Dean of Research

/ss

cc Supervisor: Professor Vannie Naidoo
cc. Academic Leader Research: Professor Isabel Martins
cc. School Administrator: Ms Angela Pearce

Humanities & Social Sciences Research Ethics Committee
UKZN Research Ethics Office Westville Campus, Govan Mbeki Building
Postal Address: Private Bag X54001, Durban 4000
Website: http://research.ukzn.ac.za/Research-Ethics/

Appendix 7: First Page of the *Turnitin* Originality Report



PhD Thesis

ORIGINALITY REPORT

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Appendix 8: Supervisor's Permission to Submit Thesis for Examination

UNIVERSITY OF KWAZULU-NATAL
INYUVESI YAKWAZULU-NATALI

College of Law and Management Studies

Supervisors Permission to Submit Thesis/Dissertation for Examination

Name: Kafigi Nicholaus Jeje	No: 217050911	
Title: Entrepreneurial Strategies and SME Performance in Bakeries in Tanzania		
Qualification: PhD (Management)	School: School of Management, IT and Governance	
	Yes	No
To the best of my knowledge, the thesis/dissertation is primarily the student's own work and the student has acknowledged all reference sources	x	
The English language is of a suitable standard for examination without going for professional editing.	x	
Turnitin Report		
Comment if % is over 10%:		
I agree to the submission of this thesis/dissertation for examination	x	
Supervisors Name: Dr. Vannie Naidoo		
 Supervisors Signature:		
Date:19th July 2019		
Co- Supervisors Name: n/a		
Co- Supervisors Signature:		
Date:		

Appendix 9: Editor's Letter

THE UNIVERSITY OF DODOMA
COLLEGE OF HUMANITIES AND SOCIAL SCIENCES
DEPARTMENT OF FOREIGN LANGUAGES AND LITERATURE
P. O. Box 626
DODOMA, TANZANIA
Website: www.udom.ac.tz

19th March, 2020.

University of KwaZulu-Natal,
College of Law and Management Studies,
South Africa.

REF: EDITED PHD THESIS OF MR KAFIGI NICHOLAUS JEJE

The heading above highly refers.

I would like to sincerely inform you that I have painstakingly edited Mr Kafigi Nicholaus Jeje's PhD thesis (REG217050911) titled **DEVELOPING A FRAMEWORK FOR ENTREPRENEURIAL STRATEGIES AND SME PERFORMANCE IN TANZANIA-BASED BAKERIES** for English Language clarity and coherence. I have paid attention in detail to grammatical aspects, flow and punctuation mechanics. I can now vouchsafe that the student can collect his work subject to incorporation of the suggested changes in the edited draft.

Thanking you in advance for your usual cooperation.

Regards,

THE UNIVERSITY OF DODOMA
HEAD
DEPARTMENT OF
FOREIGN LANGUAGE
AND LITERATURE
SIGN.....
DATE.....
COLLEGE OF HUMANITIES & SOCIAL SCIENCES

Emmanuel Kilatu (**PhD English Literature**)