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## Soft Skills in Entrepreneurship and Employment in Tanzania

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# Soft Skills in Entrepreneurship and Employment in Tanzania

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## **ABSTRACT**

This paper aims to serve as a guideline for identifying the soft skills that are most relevant to Tanzanian entrepreneurship and employability. Tanzania faces several issues within its entrepreneurship and labour market environments, which significantly impede the progression of Tanzanian enterprises and jobseekers. As a result, most Tanzanian enterprises stagnate at the micro level, and many Tanzanian workers are forced into informal employment as firms parachute in foreign employees instead.

Current theory dictates that technical, hard skill training courses are proving insufficient for effectively fostering entrepreneurial and employable skill sets. As such, this paper aims to focus on analysing the more behavioural, intrinsic soft skills and their potential impact on Tanzanian entrepreneurship and employability. Ultimately, this paper will seek to determine which soft skills would be most useful for enabling Tanzanian entrepreneurs and workers to overcome the inherent issues in their local business environments.

In lieu of accessing primary and direct research, this paper will explore and analyse the secondary research on soft skills and their impact on entrepreneurship first, before moving to explore and analyse the secondary research on soft skills and their impact on employability. Generating a list of the most important soft skills for each section, the paper will conclude by extrapolating from both of these lists of soft skills, to produce a set of soft skills that would be most relevant for both Tanzanian entrepreneurs and workers alike.

Ultimately, this paper finds that the soft skills which meet these criteria resolve down to innovation, communication, teamwork, and problem-solving.

## I. INTRODUCTION

In a manner similar to many developing countries, graduates from Tanzanian education systems are typically faced with two main options in the workforce: entrepreneurship or employment. As a result, many training programmes provided for incoming members of the labour force focus on either of the two – or, as is more common, on both in combined training programmes seeking to maximise efficiency.

However, in contrast to the training programmes of the past, there has been a growing recognition that traditional hard skill-based training programmes are no longer as efficient or effective. As such, a growing amount of focus and attention has begun to be directed towards ‘soft skills’ instead, which help build more fundamental and intangible strengths (e.g. leadership, communication, risk-taking, etc.) for both entrepreneurship and employability.

Yet, when training the next generation, it is important to identify which soft skills are more valuable for each separate goal of entrepreneurship and employability (as there are certainly differences between the objectives, and thus applicable soft skills, of both), and which soft skills are jointly effective at promoting both – in order to create an efficient programme for training up both entrepreneurship and employability.

Given the general lack of access of this paper to primary research, the findings in this paper will be derived through analysis and interpretation of the various secondary sources already available on the subject matter.

Ultimately, this paper will aim to first investigate the soft skills relevant for entrepreneurship. This will be carried out by first looking at the conditions and issues affecting the Tanzanian entrepreneurship environment, followed by exploring the traditional theory on which soft skills would be most relevant for boosting enterprise, as well as studies on the impact of soft skills on enterprises in African developing countries. The inferences from these sections will then be used to comprehensively select and argue for an appropriate list of soft skills that can be justifiably used to manage the issues of entrepreneurship that affect Tanzanian enterprises.

Following from this, a similar process will then be repeated with the soft skills relevant for employability. However, unlike for the section on soft skills in entrepreneurship, secondary research directly on the impact of soft skills on the Tanzanian labour force and employability, already exists. As such, the paper proceeds to analyse the impact of soft skills on employability in Tanzania directly, without needing to proxy this with analysis of the impacts on other similar developing African nations.

Finally, the findings and listed soft skills from each of the two sections will then be compared and contrasted. Allowing for a joint list of the soft skills most relevant for entrepreneurship and employability to be determined, based on the overlap from the individual soft skills lists from each section, this will provide a guide or focus for which soft skills to focus on when hosting training programmes that seek to improve both Tanzanian entrepreneurship and employability.

## II. ENTREPRENEURSHIP

Entrepreneurship is an important component of the business environment of any country. In particular, entrepreneurship plays an especially critical role in developing nations, as it simultaneously serves as a primary method of income-generation for many citizens operating as need-based entrepreneurs, and a forward-driving catalyst for the domestic economy from the efforts of both need-based and incentive-driven entrepreneurs. As such, enterprise in Tanzania, a developing nation with a wealth of natural resources and labour, remains no less important for the African nation.

However, within such developing nations, there is generally an insufficiency in the level of training and education available for entrepreneurship and entrepreneurial skills – which can lead to a stagnation in the level of enterprise progression in the country, as entrepreneurs repeat the same mistakes as their predecessors without a system of progressive training to help them avoid such pitfalls. In particular, though there are training programmes and workshops for technical skills and industry-specific skillsets becoming more available in developing nations (Tanzania included), such training courses merely provide hard skills and tools that entrepreneurs can wield, without building enough of the fundamental ‘soft skills’ in entrepreneurs that allow them to effectively use such technical competencies to build successful enterprises.

Including more personal and fundamental attributes that relate to an entrepreneur’s abilities of social interaction, leadership, operational style, and personal thinking, among others, such soft skills are becoming increasingly recognised as just as critical for entrepreneurs, in operating and starting up successful businesses, as the traditional hard technical skills – if not more so.

As a result, this section will aim to investigate which soft skills are the most important and relevant for developing Tanzanian entrepreneurship and entrepreneurial skills.

As there is a distinct lack of direct material on soft skills in Tanzanian enterprise, and currently primary and direct research remains inaccessible for the purposes of this paper, the following sections will aim to provide a comprehensive analysis of soft skill relevancy to Tanzanian entrepreneurs, through a proxy method. Specifically, by investigating the main characteristics and issues defining and afflicting the Tanzanian entrepreneurship and business environment, followed by general theories on the impact of soft skills on entrepreneurship, as well as studies on the impact of soft skills on similar African developing nations, this section will aim to provide a well-supported argument for a set of soft skills that could be focused on to best benefit Tanzanian entrepreneurs, to help them progress and overcome the specific issues facing them.

## II.I. ENTREPRENEURSHIP IN TANZANIA

In order to effectively understand which soft skills are most relevant for improving entrepreneurship in Tanzania, it is first important to understand the overall conditions and difficulties defining entrepreneurship and the business environment in the country. Using these, combined with an investigation into the impacts and benefits of various soft skills on entrepreneurship, we can then build a set of soft skills tailored to optimising Tanzanian enterprises, to overcome the particular issues facing them.

As such, the following section will first aim to analyse some of the key defining features of the Tanzanian business and entrepreneurship environment, followed by some of the key difficulties faced by Tanzanian entrepreneurs. This will be conducted largely based on the findings of ‘The Entrepreneurship and Enterprise Growth Landscape: Tanzania’ report conducted by the Argidius Foundation, and supported by findings from the 2018 GEDI Global Entrepreneurship Index.

### i. Overview of entrepreneurship conditions in Tanzania

#### *High population, large labour pool*

Currently, Tanzania has 53,470,000 inhabitants, making its population the largest in East Africa. Despite this, it possesses the lowest population density - only a third of Tanzanians live in urban regions.<sup>1</sup>

Furthermore, this high population continues to rise, as the number of Tanzanian youths under 25 (comprising about two-thirds of the population) continues to rapidly grow due to the country’s high fertility rate of 4.8 children per woman.<sup>2</sup> This all contributes to a large, young, and growing labour pool for the country.

#### *Low GDP and GNI per capita*

Tanzania currently possesses a GDP of \$45.6 million, and a GNI per capita of \$910.<sup>3</sup>

This makes Tanzania one of the world’s poorest economies in terms of per capita income. However, Tanzania has also recently achieved high economic growth rates based on its large reserves of natural resources and tourism sector.<sup>4</sup>

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<sup>1</sup> Enabling Outcomes Ltd., *The Entrepreneurship and Enterprise Growth Landscape: Tanzania* (n.p.: Argidius Foundation, 2017), p.4.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid., p.5.

<sup>4</sup> Ibid.

As such, GDP between 2009 and 2015 grew at 6-7% per year. However, while this rate is high, it is still lower than that of successful emerging economies – this is particularly the case, when the nation's high population growth rate is taken into consideration.<sup>5</sup>

### *Primarily agricultural economy*

Currently, the Tanzanian economy remains primarily dependent on agriculture, which accounts for more than one quarter of the nation's GDP. This sector provides 85% of Tanzania's exports, employs around 80% of the Tanzanian labour force, and accounts for 7% of government expenditures.<sup>6</sup>

### *A business environment dominated by MSMEs*

According to a survey of SMEs in 2012, there were an estimated 2.75 million MSME owners and 3.16 million MSMEs in Tanzania. Combined, these were estimated to contribute around 27% of the country's GDP, and employment for more than 5.2 million people – the majority of which are found in the trading sector, with 55% being in wholesale and retail trading.<sup>7</sup>

Within these enterprises, 97.1% were considered “micro”, and 66.1% of the total number being classed as own account (one person) activities.<sup>8</sup>

### *Difficulty in doing business*

According to the World Bank's 2017 ranking, Tanzania ranks 132<sup>nd</sup> out of 190 economies for ease of doing business. However, this marks an improvement over 2016, when the country ranked 144<sup>th</sup> in the rankings. Tanzania also ranks similarly lowly, in 135<sup>th</sup>, for ease of starting a business.<sup>9</sup>

However, it is important to note that the World Bank ranks Tanzania 44<sup>th</sup> for ease of accessing credit (up from 152 in 2016). This significant improvement was the result of Tanzania's credit bureau efforts in expanding borrower coverage and distributing credit data from retailers.<sup>10</sup>

## **ii. Difficulties for Tanzanian Entrepreneurship**

### *High corruption*

One of the greatest difficulties for Tanzanian entrepreneurship, would be the high prevalence of corruption in the country. Tanzania currently ranks 116 out of 176 countries in Transparency

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<sup>5</sup> Ibid.

<sup>6</sup> Ibid., p.7.

<sup>7</sup> Ibid., p.19.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid., p.8.

<sup>10</sup> Ibid.

International's 2016 Corruption Perceptions Index. This is supported by the fact that the World Bank Enterprise Survey notes that approximately 65% of firms expected to give gifts to secure a government contract.<sup>11</sup>

This can create significant difficulty for Tanzanian entrepreneurship as high corruption levels can easily impede and throttle new businesses – for financial, political, or arbitrary reasons.

However, while this is considered a high corruption ranking, Kenya and Uganda in the region rank even higher, at 145 and 151 respectively.<sup>12</sup>

### ***Difficulty of land ownership***

Additionally, land ownership remains particularly restrictive in Tanzania. Indeed, under the Land Act of 1999, all land in Tanzania belongs to the state. As such, combined with the fact that procedures for obtaining a lease or certificate of occupancy can be complex and lengthy (for both citizens and foreign investors), this can severely impede the ease that local entrepreneurs have in starting up.<sup>13</sup> This is because this increases the difficulty in obtaining the land which would be required for any fledgling business operations.

This can also leave land transactions highly prone to issues of corruption, given the automatic initial state ownership. Indeed, as registration of title deeds is done manually, and mainly at the local level<sup>14</sup>, this makes the process much more prone to abuse, given the lack of oversight typically available for such decentralised operations.

Along with the fact that less than 10% of the land in Tanzania has been surveyed<sup>15</sup>, this has made land ownership a significant blockade in any Tanzanian entrepreneur's ventures.

### ***Difficulty in expanding business size from micro enterprises.***

As mentioned earlier, MSMEs are extremely prevalent in Tanzania's business environment.

However, the graduation rate of micro enterprises to small, medium and large ones in Tanzania is very low. As such, most new enterprises remain at a micro level (or small, though this is less common), and medium sized enterprises are particularly rare.<sup>16</sup>

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<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

<sup>16</sup> Ibid., p.19.

According to experts, these MSMEs face several key persistent problems hampering any attempts to expand. These include: an unfavourable legal and regulatory framework, underdeveloped infrastructure, weak business development services, limited access to finance, and ineffective and poorly coordinated institutional support.<sup>17</sup>

As such this prevents many new entrepreneurs from entering the market, as there are limited long-term options available to grow their businesses. Indeed, given the imposed bottom-heavy nature of the economy, being comprised largely of huge numbers of micro and small-size enterprises which are unable to grow, this increases and concentrates the competition at the small and micro-level, where entrepreneurs and their ventures are most vulnerable. Thereby decreasing the life-span of many enterprises and making entrepreneurship less viable.

### ***Weak start-up skills and risk appetite***

Tanzania ranks 118<sup>th</sup> of 137 countries globally in GEDI's 2018 Global Entrepreneurship Index, with the strongest areas being product innovation and opportunity perception, and the weakest being start-up skills and risk acceptance.<sup>18</sup>

As such, this indicates that, though Tanzanian entrepreneurs may be able to form innovative products and effectively identify opportunities to provide good starting points for enterprises and ventures, they lack the critical training and risk-appetite that is necessary for a successful entrepreneur. This would lead to a lot of wasted potential, as such shortcomings prevent entrepreneurial ideas from effectively reaching fruition.

### ***Poor access to capital***

Tanzania's financial sector currently has 20 licensed banks and 11 non-bank financial institutions. However, poor financial systems and infrastructure mean that a supply and demand equilibrium of SME finance can be difficult to achieve. As such, SMEs in Tanzania typically lack access to finance from local banks – despite the fact that 75% of banks in Tanzania report having dedicated SME units.<sup>19</sup>

This typically occurs due to a generally MSME-unfriendly set of regulations imposed by such financial entities. For instance, MSME access to finance generally involves strict requirements around KYC (Know Your Counterparty), formal registration, collateral, and credit history –

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<sup>17</sup> Ibid.

<sup>18</sup> Zoltán J. Ács, *Global Entrepreneurship Index 2018* (Washington D.C: GEDI, 2018), p.85.

<sup>19</sup> Enabling Outcomes Ltd., *The Entrepreneurship and Enterprise Growth Landscape: Tanzania* (n.p.: Argidius Foundation, 2017), p.20.

many of which MSMEs would naturally struggle to comply with. Indeed, banks cite a lack of information (in particular, the absence of third-party guarantees), poor-quality information, and stringent business regulations as the biggest hindrances to SME lending. The general lack of MSME-tailored products only compounds on this to create a particularly narrow set of circumstances wherein accessing the financial sector for capital makes sense for MSMEs.<sup>20</sup>

As such, according to the International Finance Corporation (IFC), this has resulted in a lending gap of up to USD 2.48 billion annually. According to the African Development Bank (AfDB), only 12% of SMEs currently own a credit line at a financial institution.<sup>21</sup>

Therefore, with such a restricted capacity for accessing capital, this significantly hinders the ability for entrepreneurs to successfully expand their enterprises, or even bring them online. Indeed, according to research by the International Institute for Science, Technology and Education (IISTE), 53.3% of SMEs see access to credit as the main constrain to growing their businesses.<sup>22</sup>

### ***Poor financial inclusion***

However, excessive restrictions on access to capital aside, outright financial exclusion has been another key issue for Tanzanian entrepreneurship. Indeed, studies show that 11.7 million people were financially excluded in 2009. This is likely due to the fact that most banks concentrate their branches in Dar es Salaam, and only a few maintain countrywide networks which have the capacity to support microfinance services.<sup>23</sup>

As a result, this further exacerbates the previous issue - creating an even greater issue for entrepreneurs looking to source financing and capital for their ventures.

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<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid., p.22.

## II.II. THEORIES OF SOFT SKILLS IN ENTREPRENEURSHIP

Having explored the key features and issues defining and afflicting the Tanzanian enterprise and business environment, this section will now aim to illustrate some of the main soft skills and groupings that theory dictates should be generally beneficial for entrepreneurs. Though generalised and unspecific to the particular features of the Tanzanian situation, this will help build an understanding of the potential impact of soft skills on enterprise – giving later sections and conclusions further context and theoretical support.

This section will analyse two sources, the Holmberg-Wright paper on soft skills and their importance for entrepreneurs, and Dr. T.J. Kamalanabhan's teaching materials from the Management Science course at the Indian Institute of Technology Madras.

### i. Holmberg-Wright: 'Soft Skills – The Missing Piece for Entrepreneurs to Grow a Business'

Holmberg-Wright's study focuses on identifying the key soft skills which are the most important for entrepreneurs. She justifies these with qualitative analysis and explanations of the entrepreneurial value of each one, with reference to several other studies as backing. However, it is important to understand that, given the lack of quantitative analysis, such theory remains purely qualitative and thus may be somewhat subjective.

#### *Self-awareness*

Holmberg-Wright describes self-awareness as a key soft skill for entrepreneurship, as it is needed in order for entrepreneurs to effectively understand their strengths and shortcomings, to be able to form start-up teams that complement these to work efficiently and productively in the key stage of a new enterprise's lifecycle. Additionally, she credits self-awareness with giving successful entrepreneurs realistic and rational understandings of opportunities, risk-tolerance, persistence, and stop-loss situations. With this, she argues that entrepreneurs are more able to inspire others with a more grounded, realistic vision, as well as potential investors who critically look for realism and practicality in new enterprises.<sup>24</sup>

#### *Communication*

Communication is another soft skill credited with bringing significant success for entrepreneurs. This is because, without effective communication, all other skill sets are rendered useless. Communication enables entrepreneurs to be effective salespeople, a critical skill for any start-up,

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<sup>24</sup> Kristin Holmberg-Wright, 'Soft Skills - The Missing Piece for Entrepreneurs to Grow a Business', *American Journal of Management*, 16/1 (2016), p.15.

and properly convey plans. Without this, it would not matter how detailed or innovative a business plan might be – an inability to convey this effectively to their team for implementation would cripple an entrepreneur just as surely as an ineffectual plan. Furthermore, Holmberg-Wright cites communication as a critical skill necessary for building strong bonds of trust and evaluative affirmation, which are needed to effectively choose and maintain customers – as well as to maintain the trust and faith of an entrepreneur’s team and employees in both good and bad situations.<sup>25</sup>

### *Critical and creative thinking and coaching skills*

These skills form the basis of entrepreneurship, and serve as the differentiating factor that sets an entrepreneur apart from others. Holmberg-Wright credits such problem-solving and creative thinking skills with an entrepreneur’s ability to recognise and create opportunities to grow and sustain a business. Without creativity, products would be homogenous and problems would be unsolvable unless their solution was already common knowledge by all – leaving no room for enterprise and individual businesses to succeed and differentiate themselves.<sup>26</sup>

### *Practical management and leadership skills*

According to Holmberg-Wright, leadership and practical management is about organising people, leading and motivating them to work towards a common goal. Practical management also covers the initial business management and multi-tasking required in the initial set up and in crunch times, when an entrepreneur has to handle large numbers of tasks on their own. However, it also covers the necessary team-building skills needed in the operation of a larger enterprise, giving up control and putting effort into building other people’s skills to work as an effective part of the team.<sup>27</sup>

## **ii. Kamalanabhan: 'Skills Associated With Entrepreneurship'**

Dr. T.J. Kamalanabhan’s teaching materials from the Management Science course at the Indian Institute of Technology Madras provide another source of soft skills relevant to entrepreneurship. The source only provides the teaching materials, and so most qualitative and quantitative analysis backing the choice of skills is omitted – likely to be explained in lectures by Kamalanabhan himself. However, these skills can be grouped and matched to Holmberg-

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<sup>25</sup> Ibid., p.16.

<sup>26</sup> Ibid.

<sup>27</sup> Ibid., p.17.

Wright's four categories, and can serve as an indication of what soft skills some business educators view as necessary for entrepreneurship.

***Kamalanabhan's necessary entrepreneurial skills<sup>28</sup>***

FORMULATING GOALS	RISK-SEEKING	COMMUNICATION
DECISION-MAKING	INNOVATION	INTERPERSONAL
MOTIVATING	CHANGE-ORIENTATION	RELATIONS
NEGOTIATION	PERSISTENCY	
INNER DISCIPLINE	VISIONARY	

***Kamalanabhan's skills as grouped by Holmberg-Wright's four categories<sup>29</sup>***

SELF-AWARENESS: Inner Discipline, Persistency, Risk-seeking

COMMUNICATION: Negotiation, Communication, Interpersonal

CRITICAL AND CREATIVE THINKING AND COACHING SKILLS: Innovation, Change-orientation

PRACTICAL MANAGEMENT AND LEADERSHIP SKILLS: Motivating, Interpersonal relations, Visionary, Decision-making, Goal Formulation

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<sup>28</sup> T.J. Kamalanabhan, 'Skills Associated With Entrepreneurship', Management Science II. [Powerpoint Slides], Indian Institute of Technology Madras, Madras, n.d., p.2.

<sup>29</sup> Ibid.

### I.III. SOFT SKILLS IN DEVELOPING NATION ENTREPRENEURSHIP

The previous section covered the general theory on soft skills and their impact on entrepreneurship. However, the circumstances faced by Tanzanian entrepreneurs requires more specific and contextualised solutions than generalised theory.

The main issue that then arises though, is that the inadequacy of studies on soft skills on Tanzanian enterprises, as well as the lack of access faced by this paper to direct primary sources and research makes it more difficult to effectively analyse the impact of soft skills on Tanzanian entrepreneurs specifically. However, by referencing studies analysing the impact of soft skills on entrepreneurs in relatively similar environments (i.e. in Africa and developing nations within Africa), this section will aim to provide further contextual interpretation of the soft skills that would be appropriate for improving Tanzanian enterprise.

#### i. Mamabolo: 'Entrepreneurship Management Skills Requirements in an Emerging Economy: A South African Outlook'

In this study, led by M. Anastasia Mamabolo, the researchers aimed to determine the skills required by South African entrepreneurs to effectively run their businesses.<sup>30</sup>

To achieve this, in-depth research and a series of qualitative face-to-face interviews were first conducted with fifteen entrepreneurs and six national experts on entrepreneurship to determine the skills needed for South African entrepreneurs that would be included in the survey instrument used in the subsequent step. Following this, the survey was sent out and quantitative research was conducted based on the survey data collected from 235 entrepreneurs across multiple regions in South Africa, to confirm if the skills chosen in the qualitative phase were statistically relevant to these entrepreneurs. The end result was a study based on a simple, yet effective, premise to simply take a group of skills, purported to be important for entrepreneurs, from one group, and statistically confirm them with another.<sup>31</sup>

The end results of the study showed that personal and leadership skills were critical for entrepreneurs, alongside other technical skills. These skills were then further categorised into social and interpersonal, leadership and personal skills.<sup>32</sup>

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<sup>30</sup> M. Anastacia Mamabolo, Myres Kerrin and Tumo Kele, 'Entrepreneurship management skills requirements in an emerging economy: A South African outlook', *The Southern African Journal of Entrepreneurship and Small Business Management*, 9/1 (2017), p.1.

<sup>31</sup> Ibid.

<sup>32</sup> Ibid., p.8.

***Social and interpersonal skills***

In order to interact and form relationships with other people, entrepreneurs need social and interpersonal skills. Similar to findings in Holmberg-Wright's work, such skills are necessary for entrepreneurs who, by nature, rely on such interactions and relationships to form start-up teams, motivate employees, and ultimately attract investors and a steady customer base.

In particular, the statistically significant skills that remained in this category in Mamabolo's study were people skills, communication skills, listening, building relationships, and cultural sensitivity.<sup>33</sup>

The final skill in particular, separate from the theory of Holmberg-Wright's work, would be particularly relevant for entrepreneurs in developing countries (such as Tanzania), as cultural roots can create huge disparities between the business environments of different countries. Furthermore, in developing nations, given the dominance of local cultural norms as opposed to the greater homogeneity of international business culture, it is more likely that such cultural influences play a much deeper role - making them more important for entrepreneurs in such nations.

***Leadership skills***

According to Mamabolo, such skills are needed to lead 'self' and employees in the business.<sup>34</sup> This closely mirrors the research conducted by Holmberg-Wright on the self-same soft skills, and remains fairly standard in the skillset's explained qualitative impact on entrepreneurs.

The sub-skills Mamabolo indicates are statistically relevant within this category include crafting vision, inspiring employees, sharing the vision, cultivating excellent performance, and leading responsibly.<sup>35</sup>

***Personal skills***

Skills which are needed to attain self-awareness, emotional maturity, ability, and willingness to accept responsibility, are classed by Mamabolo under personal skills.<sup>36</sup> These skills are justified as the personal skills required for entrepreneurs to succeed, and remain similar to the examples expounded upon by Holmberg-Wright.

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<sup>33</sup> Ibid.

<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> Ibid., p.4.

There were several behavioural skills that were eliminated from the original skill set tested based on quantitative results. As such, the personal skills that remained statistically relevant as important to entrepreneurs, according to Mamabolo, are hard work, intuition and self-motivation.<sup>37</sup>

### *Start-up skills*

Start-up skills include several technical skills required for starting a business. However, Mamabolo also includes a couple of soft skills in the start-up skills that were tested in the study, and classed as statistically significant. These include soft skill such as innovation and calculated risk taking.<sup>38</sup>

These are qualitatively particularly important for entrepreneurs, as they represent core fundamentals in an entrepreneur's operating style that are required to differentiate themselves and effectively take advantage of the opportunities available to them to enable their enterprises to succeed.

## **ii. Campos: 'Teaching Personal Initiative Beats Traditional Training in Boosting Small Business in West Africa'**

Led by Francisco Campos, this study sought to analyse the performance of two different groups of MSME entrepreneurs given two different training regimes, as compared to a control group of entrepreneurs which received no training.<sup>39</sup>

One training regime was based on traditional business technical skills, including training in accounting and financial management, marketing, human resource management, and formalization.<sup>40</sup>

The other training regime was based on 'personal initiative training', including training in soft skills such as a mindset of self-starting behaviour, innovation, identifying and exploiting new opportunities, goal-setting, planning and feedback cycles, and overcoming obstacles.<sup>41</sup>

Conducted in the African nation of Togo, this study remains particularly relevant to Tanzania's situation, given the prevalence of MSMEs in the Togo business environment. The study was structured with a large sample size of 500 entrepreneurs for each group, with a stipulation for

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<sup>37</sup> Ibid., p.8.

<sup>38</sup> Ibid.

<sup>39</sup> Francisco Campos, Michael Frese, Markus Goldstein, Leonardo Iacovone, Hillary C. Johnson, David McKenzie and Mona Mensmann, 'Teaching personal initiative beats traditional training in boosting small business in West Africa', *Science*, 357, (2017), p.1287.

<sup>40</sup> Ibid.

<sup>41</sup> Ibid.

each entrepreneur to be in charge of a firm with less than 50 employees, and using internationally accredited training programs for the two non-control groups. Quantitative research was then conducted to show the statistical effect of the different training programs on business metrics.<sup>42</sup>

### *Campos' findings*

Campos found that 93% of the control group entrepreneurs were still operating a business at the time of the last survey round. Compared to this, neither training program was shown to have a statistically significant impact on firm survival.<sup>43</sup>

However, the results for firm profitability and returns proved different. Though the point estimates were positive, Campos found that the impact of traditional business training was not significant for sales, profits, or an aggregated index of these measures for the entrepreneurs in that group.<sup>44</sup>

In contrast, it was found that there were larger and statistically significant impacts on such measures of profitability and returns, for the firms benefitting from the personal initiative training.<sup>45</sup>

As such, the study illustrates the statistical relevance of the soft skills taught in the personal initiative training, including a mindset of self-starting behaviour, innovation, identifying and exploiting new opportunities, goal-setting, planning and feedback cycles, and overcoming obstacles.

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<sup>42</sup> Ibid.

<sup>43</sup> Ibid., p.1288.

<sup>44</sup> Ibid.

<sup>45</sup> Ibid.

## II.IV. SOFT SKILLS IN TANZANIAN ENTREPRENEURSHIP

Enterprise within Tanzania remains a subject with relatively little coverage. As such, the more specific question of which soft skills are the most relevant for Tanzanian entrepreneurship naturally remains even more difficult to answer directly via secondary sources – particularly without access to primary sources or data.

However, it is possible to build a proxy conclusion through analysing the features and difficulties specific to Tanzania’s entrepreneurship environment, as well as traditional theory on how particular soft skills critically benefit entrepreneurs, and studies of the impact of soft skills on enterprise in African and developing nations. As such, this therefore allows the identification of the soft skills which can best benefit Tanzanian entrepreneurs and mitigate the specific issues faced in the Tanzanian business environment, based on their impact in theory and other similar African developing nations.

As a result, based on this proxy method, two of the most relevant soft skills to focus on for improving Tanzanian enterprise would be risk taking and innovation. This is particularly because such soft skills directly tackle the weakest areas of Tanzanian entrepreneurs according to the 2018 GEDI Global Entrepreneurship Index.<sup>46</sup> Such soft skills would help Tanzanian entrepreneurs effectively differentiate themselves from the plethora of MSMEs in the nation, and take opportunities presented to them, to grow beyond the MSME stage that most Tanzanian enterprises seem to stagnate at. Supported by the fact that both soft skills are credited as being statistically and positively significant in the studies by Mamabolo<sup>47</sup> and Campos<sup>48</sup> on African entrepreneurship, risk taking and innovation can be concluded as important soft skills to focus on for Tanzanian entrepreneurship.

Additionally, communication, interpersonal relations, and relationship-building skills would also be particularly useful for Tanzanian entrepreneurs. This is particularly the case as this would specifically help resolve the issue of sourcing financing – which many Tanzanian entrepreneurs see as the main barrier to growing their businesses.<sup>49</sup> This is because such interpersonal social

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<sup>46</sup> Zoltán J. Ács, *Global Entrepreneurship Index 2018* (Washington D.C: GEDI, 2018), p.85.

<sup>47</sup> M. Anastacia Mamabolo, Myres Kerrin and Tumo Kele, 'Entrepreneurship management skills requirements in an emerging economy: A South African outlook', *The Southern African Journal of Entrepreneurship and Small Business Management*, 9/1 (2017), p.8.

<sup>48</sup> Francisco Campos, Michael Frese, Markus Goldstein, Leonardo Iacovone, Hillary C. Johnson, David McKenzie and Mona Mensmann, 'Teaching personal initiative beats traditional training in boosting small business in West Africa', *Science*, 357, (2017), pp.1287-1288.

<sup>49</sup> Enabling Outcomes Ltd., *The Entrepreneurship and Enterprise Growth Landscape: Tanzania* (n.p.: Argidius Foundation, 2017), p.20.

skills help entrepreneurs to develop the relationships and convey the potential in their ventures to effectively source capital and financing – either from traditional banks, local financiers (e.g. family and friends), or angel investors and venture capitalists. As these are also listed as statistically significant in Mamabolo’s study on South African entrepreneurship<sup>50</sup>, it can be concluded that training in such soft skills would be useful and beneficial for any Tanzanian entrepreneurs.

Furthermore, it can be concluded that problem-solving, leadership, communication, and teamwork/interpersonal skills would also be useful for Tanzanian entrepreneurs, to help enlarge the many micro-sized enterprises into larger entities. This is because, the main impediments listed for expanding the Tanzanian MSMEs are fundamentally institutional in nature (i.e. an unfavourable legal and regulatory framework, underdeveloped infrastructure, weak business development services, limited access to finance, and ineffective and poorly coordinated institutional support<sup>51</sup>), and cannot be directly dealt with via soft skills training alone. However, training problem-solving, leadership, communication, and teamwork/interpersonal skills would help build robust and adaptable enterprises and start-up teams that would be best equipped to deal with and overcome the institutional issues that impede the development of most MSME enterprises. As these skills are all demonstrated to have statistically significant and positive impacts on African entrepreneurship in Mamabolo’s study<sup>52</sup>, and more significantly for this case in the MSME study of Campos<sup>53</sup>, such soft skills are therefore very likely to be beneficial for improving Tanzanian enterprise.

Beyond these, it is very likely that many of the other traditional soft skills cited by Holmberg-Wright, Mamabolo, and Campos (e.g. being visionary, self-starting, and self-aware), would also be useful for Tanzanian enterprise – particularly as they have been shown to be statistically significant with positive impacts on entrepreneurship and African developing nation entrepreneurship overall.

However, in terms of the most relevant skills to improve Tanzanian enterprise, and tackle the particular issues facing the Tanzanian business environment, it would be most recommended to

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<sup>50</sup> M. Anastacia Mamabolo, Myres Kerrin and Tumo Kele, 'Entrepreneurship management skills requirements in an emerging economy: A South African outlook', *The Southern African Journal of Entrepreneurship and Small Business Management*, 9/1 (2017), p.8.

<sup>51</sup> Enabling Outcomes Ltd., *The Entrepreneurship and Enterprise Growth Landscape: Tanzania* (n.p.: Argidius Foundation, 2017), p.19.

<sup>52</sup> M. Anastacia Mamabolo, Myres Kerrin and Tumo Kele, 'Entrepreneurship management skills requirements in an emerging economy: A South African outlook', *The Southern African Journal of Entrepreneurship and Small Business Management*, 9/1 (2017), p.8.

<sup>53</sup> Francisco Campos, Michael Frese, Markus Goldstein, Leonardo Iacovone, Hillary C. Johnson, David McKenzie and Mona Mensmann, 'Teaching personal initiative beats traditional training in boosting small business in West Africa', *Science*, 357, (2017), pp.1287-1288.

focus on the aforementioned soft skills of risk-taking, innovation, communication, interpersonal relationship, teamwork, problem-solving, and leadership skills.

### III. EMPLOYMENT

Similar to entrepreneurship, employment is an important component of the business environment of any country, and another particularly important consideration for graduates and workers about to enter the labour force. In fact, given the higher incidence and tendency for individuals to seek and obtain employment as opposed to starting personal enterprises, employment and employability is arguable a more pressing issue for many graduates and workers in a work force – particularly in developing nations where the entrepreneurship environment is relatively undeveloped and vulnerable.

However, within such developing nations, there is generally an insufficiency in the level of training and education available for employable skills – which can lead to a stagnation in the level of domestic employment in the country’s labour market, as domestic graduates are perceived to maintain a subpar level of employer-demanded skills, leading to such firms resorting to parachuting in foreign (and relatively higher skilled) workers to fill any labour demand. In particular, though there are training programmes and workshops for technical skills and industry-specific skillsets becoming more available in developing nations (Tanzania included), such training courses merely provide hard skills and tools that employees can wield, without building enough of the fundamental ‘soft skills’ in that provide for a more fundamental employability in any role.

As a result, this section will aim to investigate which soft skills are the most important and relevant for developing Tanzanian employability.

Similar to the situation for soft skills in entrepreneurship, this section on employability will be conducted under the restriction of primary and direct research remaining inaccessible for the purposes of this paper. However, unlike the situation for soft skills in entrepreneurship, there is an actual availability of direct material on soft skills in Tanzanian employability. As such, the following sections will aim to provide a comprehensive analysis of soft skill relevancy to Tanzanian employees and the labour force, through investigating the main characteristics and issues defining and afflicting the Tanzanian labour market, followed by general theories on the impact of soft skills on employability, as well as studies on the impact of soft skills on Tanzania. Ultimately, this section will aim to provide a well-supported argument for a set of soft skills that could be focused on to best benefit Tanzanian workers, to help them progress and overcome the specific employability issues facing them.

### III.I. LABOUR MARKET IN TANZANIA

In order to effectively understand which soft skills are most relevant for improving employability in Tanzania, it is first important to understand the overall conditions and difficulties defining employment and the labour market in the country. Using these, combined with an investigation into the impacts and benefits of various soft skills on employability, we can then build a set of soft skills tailored to optimising Tanzanian workers, to overcome the particular issues facing them.

As such, the following section will first aim to analyse some of the key defining features of the Tanzanian labour market, followed by some of the key difficulties faced by Tanzanian employees. This will be conducted largely based on the findings of ‘The Entrepreneurship and Enterprise Growth Landscape: Tanzania’ report conducted by the Argidius Foundation, those of the Tanzanian ‘Labour Market Profile 2018’, and that of a news report ‘Tanzania advised to scale up on youth labour market skills’.

#### i. Overview of labour conditions in Tanzania

Referring to the entrepreneurship conditions listed in Section II.I.i on page 6, Tanzania’s labour conditions are equally defined by a high population, large labour pool, low GDP and GNI per capita, and a primarily agricultural economy.

##### *Low unionisation*

Tanzania’s mainland trade union to employee density was approximately 17% as of 2017.<sup>54</sup>

In addition to this, there is relatively little social dialogue between unions and employers, owing to confrontational labour relations and the weaknesses of various tripartite institutions.<sup>55</sup>

##### *Large informal sector*

A large segment of the total employment in Tanzania is currently comprised by the informal sector – totalling at 85%.<sup>56</sup>

This includes the largely unstructured entrepreneur environment present in the country, and accounts for much of the vulnerability of current Tanzanian employment prospects.<sup>57</sup>

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<sup>54</sup> LO/FTF Council Analytical Unit, *Labour Market Profile 2018: Tanzania & Zanzibar* (Copenhagen: Ulandssekretariatet, 2018), p.ii.

<sup>55</sup> Ibid.

<sup>56</sup> Ibid.

<sup>57</sup> Ibid.

***Shifting trends***

Though agricultural remains the primary sector in the economy, recently there has been a gradual shift of labour to the service sector. Additionally, there has been a gradual increase in urbanisation, as workers move from rural regions to the urban centres, increasing enrolment in higher schooling levels, and the quantity of job-seekers in Tanzania's urban regions.<sup>58</sup>

***Government Regulation***

The Employment and Labour Relations Act in 2004 defines the majority of the government regulation around labour in Tanzania. The areas of labour legislation this covers includes<sup>59</sup>:

1. Protection of fair treatment at work, equal pay, and non-discrimination
2. Protection against forced labour and child labour
3. Frameworks for standardised employee leave protocols
4. Frameworks for standardised working hours and overtime protocols
5. Frameworks for standardised remuneration protocols
6. Protection against harassment at the workplace
7. Frameworks for standardised layoff/redundancy and terminal pay protocols
8. Frameworks for standardised workplace health and safety protocols

It is important to note that law enforcement effectiveness is a separate issue that impacts the true value of such regulation on Tanzanian Labour conditions – for instance, child labour still remains a prominent issue throughout Tanzania. However, in many areas for most employees, the provision of such official legislation in writing still provides significant official protection in the labour market and offers employees a public organ dedicated to protecting their interests.

**ii. Difficulties for Tanzanian Employment*****Insufficient formal job creation***

One of the major issues for Tanzanian employment (and in particular, stable, formal employment) would be the large-scale insufficiency of such formal employment available in the country. Currently 85% of total employment is accounted for by the informal sector.<sup>60</sup>

This lack of formal job creation forces many workers into more unstable and vulnerable informal occupations and an unstructured entrepreneurship environment – leading to particular

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<sup>58</sup> Ibid.

<sup>59</sup> Employee and Labour Relations Act (Tanzania). 2004.

<sup>60</sup> LO/FTF Council Analytical Unit, *Labour Market Profile 2018: Tanzania & Zanzibar* (Copenhagen: Ulandssekretariatet, 2018), p.ii.

restlessness, frustration, and social insecurity among many of the youths leaving education to seek full-time occupation.<sup>61</sup>

### *Insufficient skills training*

Another major issue for Tanzanians seeking formal employment is the business perception of general insufficiency in requisite skills training, that most of the current education system imparts on new generations of Tanzanian workers. Lacking key technical and managerial skills, this puts many workers at a significant disadvantage when seeking formal employment.<sup>62</sup>

According to top private sector experts, Tanzania's private sector prefers to parachute in foreign professionals as there is a widespread lack of competency in English proficiency, communication skills, problem solving ability, and innovation. Furthermore, this was reinforced by comments from Tanzania Private Sector Foundation (TPSF) executive director Mr Godfrey Simbeye, stating that a low level of skills and competitiveness, slow changes in mindset among graduates, negative attitudes towards work, increases in forged certificates, poor ethics, and a lack of creativity, innovation, accountability, and self-motivation among workers, were key factors that played into the aversion of most Tanzanian private firms from hiring Tanzanian graduates.<sup>63</sup>

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<sup>61</sup> Ibid.

<sup>62</sup> Ibid.

<sup>63</sup> Agence de Presse Africaine (APAnews), 'Tanzania advised to scale up on youth labour market skills' (Dakar: 22 Feb 2017), p.1.

### III.II. THEORY ABOUT SOFT SKILLS IN THE LABOUR MARKET

Having explored the key features and issues defining and afflicting the Tanzanian labour market and employability, this section will now aim to illustrate some of the main soft skills and groupings that theory dictates should be generally beneficial for workers and employees. Though generalised and unspecific to the particular features of the Tanzanian situation, this will help build an understanding of the potential impact of soft skills on employability – giving later sections and conclusions further context and theoretical support.

This section will analyse three sources, the Robles paper on the top ten soft skills valued by business executives, the Dixon et al. report on the soft skills critical for employability in the financial sector, and their importance for entrepreneurs, and the study by Mitchell et al. quantitatively ranking the importance of eleven key soft skills for employability by business educators.

#### i. Robles: ‘Executive Perceptions of the Top 10 Soft Skills Needed in Today’s Workplace’

Robles’ paper investigates the top ten soft skills for employees valued by business executives. Based on interviews and questionnaires sent out to 90 business executives by students in junior-level business communications classes at Eastern Kentucky University, which received responses detailing 517 soft skills from 49 business executives, a list of soft skills valued by business executives was collated. Grouped into 26 mutually exclusive skill-groups, these were narrowed down to the top ten most frequently referenced soft skills, and subsequently sent out to 182 executives asking them to rank their importance on a five-point Likert-type scale. From the 57 business executives that responded, a quantitative analysis of the most important soft skills perceived by business executives was then conducted.<sup>64</sup>

Conducting quantitative and qualitative analysis, with reference to a wide range of sources justifying the importance of such soft skills for employees, Robles’ paper serves as a relatively good quality source to understand the basic theory on the most important soft skills for employees – though the regional restriction on data sources meant that geographical biases could influence the overall paper’s findings.

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<sup>64</sup> Marcel M. Robles, ‘Executive Perceptions of the Top 10 Soft Skills Needed in Today’s Workplace’, *Business Communication Quarterly*, 75/4 (2012), pp.454-455.

*Robles' top ten soft skills*

The top ten soft skills listed by Robles, in order of quantitatively measured importance, include: integrity, communication, courtesy, responsibility, social skills, positive attitude, professionalism, flexibility, teamwork, and work ethic.<sup>65</sup>

Each skill was expanded on with the following attributes:

COMMUNICATION - oral, speaking capability, written, presenting, listening.

COURTESY - manners, etiquette, business etiquette, gracious, says please and thank you, respectful.

FLEXIBILITY - adaptability, willing to change, lifelong learner, accepts new things, adjusts, teachable.

INTEGRITY - honest, ethical, high morals, has personal values, does what's right.

INTERPERSONAL SKILLS - nice, personable, sense of humour, friendly, nurturing, empathetic, has self-control, patient, sociability, warmth, social skills.

POSITIVE ATTITUDE - optimistic, enthusiastic, encouraging, happy, confident.

PROFESSIONALISM - businesslike, well-dressed, appearance, poised.

RESPONSIBILITY - accountable, reliable, gets the job done, resourceful, self-disciplined, wants to do well, conscientious, common sense.

TEAMWORK - cooperative, gets along with others, agreeable, supportive, helpful, collaborative.

WORK ETHIC - hard working, willing to work, loyal, initiative, self-motivated, on time, good attendance.<sup>66</sup>

Of these ten soft skills, integrity and communication were by far the most popular among the responding employers, with all 57 respondents indicating that both were very or extremely important. This was followed by courtesy, which 84.2% of respondents indicated was extremely important, and responsibility and interpersonal skills, which 71.9% and 61.4% of respondents indicated were extremely important.<sup>67</sup>

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<sup>65</sup> Ibid., p.455.

<sup>66</sup> Ibid.

<sup>67</sup> Ibid.

## ii. Dixon et al.: 'The Importance of Soft Skills'

Dixon et al.'s paper aims to expound upon five particular soft skills useful and relevant for corporate finance. The result provides a qualitative explanation of the relevance of each soft skill for employment in the financial industry – however, the lack of quantitative substantiation renders the paper largely opinionated and subjective. As such, the paper can be thought of as a survey of soft skills needed in financial employment, but it is important to realise that this may not be necessarily authoritative or indicative of the industry as a whole, or for employability in general. The specificity of the finance industry, and the joint membership of three of four authors in the Huntsman School of Business at Utah State University could also lead to the introduction of some regional biases in the paper's findings.<sup>68</sup>

### *Teamwork*

Dixon et al. specify that teamwork as a soft skill helps differentiate a team of quality workers from a group of individuals working on a similar task. Including aspects of commitment, shared goals, and shared leadership, teamwork is expounded upon as a critical soft skill necessary for employees in any work space. In particular, Dixon et al. focus on adaptability, as a subfactor of teamwork, that enable workers to be continually learning, emotionally secure, creative, and service minded. In absence of these factors, Dixon et al. note that teams often end up unable to adapt to ambiguity – often leading to failure. As such, such teamwork attributes are defended as critical soft skills for every successful employee.<sup>69</sup>

### *Problem-solving*

Problem-solving is explained as a key soft skill for employees by Dixon et al. since employees are constantly faced with complex issues on a daily basis. Creating purpose-driven and future minded workers, such problem-solving soft skills were found by Dixon et al. to be the second-most desirable soft skill sought after by employers, allowing employees to tackle to large range of issues that can arise in any workplace – from the small and inconsequential, to the large and critical.<sup>70</sup>

### *Decision-making*

Dixon et al. classify decision making as a cognitive process leading to a course of action. In particular, it is defined as a soft skill wherein individuals are able to effectively compare alternatives and select the most desired outcome. During the predecision phase, prior to the

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<sup>68</sup> Jami Dixon et al., 'The Importance of Soft Skills', *Corporate Finance Review*, 14/6 (2010), p.35.

<sup>69</sup> Ibid., p.36.

<sup>70</sup> Ibid.

decision being made, the decision-making soft skill comes in through the formation or identification of goals, objectives, and alternatives to pursue based on individual opinion, desire, preferred course of action, and available means. Decision making is also clarified as critical during periods of conflict, when the initially ideal option is revealed as infeasible for one reason or another - wherein individuals must then search for alternatives that are closest to the ideal. Overall, employees with good decision-making soft skills aim to reduce conflict and make good decisions - all while reassessing, re-evaluating, and learning from previous mistakes after every decision.<sup>71</sup>

### *Communication skills*

According to Dixon et al., communication as a soft skill refers to a two-way process in which thoughts, feelings, or ideas are exchanged. In an organisational setting, this is critical as workers and leaders must be capable of sharing their ideas, knowledge, and messages effectively - otherwise having any of these things does not matter. In client-facing roles, this is also particularly important since communication is necessary to enable effective transactions and cooperation with clients. Dixon et al. specifically expound on this point in relation to technical industries like finance, however this can be extended to any client-facing role. Feedback is also another important component of communication as a soft skill, that is important for employees to ensure that they are able to verify the effective transmission of information.<sup>72</sup>

### *Working under pressure*

Dixon et al. classify working under pressure as a critical soft skill for employees, as the working world is constantly full of pressuring situations, which can entail high levels of stress and unexpected unfavourable situations. The ability to think clearly and operate effectively even under such negative circumstances requires discipline, control, and an ability to appropriately prioritise to minimise pressure and stressful situations. As such situations are a constant part of working life, Dixon et al. defend the ability to manage and make the best out of them as a critical soft skill for any valuable employee.<sup>73</sup>

## **iv. Mitchell et al.: ‘Essential Soft Skills for Success in the Twenty-First Century Workforce as Perceived by Business Educators’**

This paper, by Mitchell et al., serves as a quantitative study on the soft skills needed in the workforce, based on Likert-type scale rankings from 530 Alabama business educators. In terms

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<sup>71</sup> Ibid., pp.36-37.

<sup>72</sup> Ibid., p.37.

<sup>73</sup> Ibid., pp.37-38.

of specific methodology, Alabama business educators were surveyed to assess the importance of specific soft skills and how these skills affect success in the workforce. This provides a good quantitative study, given the large sample – however, no qualitative explanation is given for the value of each soft skill. This detracts from the study as it provides no qualitative context for the importance of each soft skill, or the reasoning behind their selection in the survey. Additionally, all surveyed business educators were from the same listing of secondary business educators in Alabama, so there may be some biases in the region that aren't controlled for.<sup>74</sup>

***Mitchell et al.'s soft skills ranking***

- |                                  |                       |                       |
|----------------------------------|-----------------------|-----------------------|
| 1. GENERAL COMMUNICATION         | 4. TEAMWORK           | CRITICAL THINKING     |
| 1. GENERAL ETHICS                | 5. BUSINESS ETIQUETTE | 8. ORAL COMMUNICATION |
| 2. TIME MANAGEMENT/ ORGANIZATION | 6. DIVERSITY          | 9. LEADERSHIP         |
| 3. WRITTEN COMMUNICATION         | 6. CUSTOMER SERVICE   |                       |
|                                  | 7. PROBLEM SOLVING/   |                       |

All eleven soft skills were found to be quantitatively important components in business education curricula, as all eleven soft skills received an average score of very important or higher. Additionally, a clear ranking was able to be established, with general communication and general ethics jointly scoring as the most important perceived soft skills for business educators.<sup>75</sup> This particularly mirrors the findings of Robles' paper, which listed integrity and communication as the most important soft skills.<sup>76</sup>

<sup>74</sup> Geana W. Mitchell et al., 'Essential Soft Skills for Success in the Twenty-First Century Workforce as Perceived by Business Educators', *The Delta Pi Epsilon Journal*, LII/1 (2010), pp.45-46.

<sup>75</sup> Ibid., p.51.

<sup>76</sup> Marcel M. Robles, 'Executive Perceptions of the Top 10 Soft Skills Needed in Today's Workplace', *Business Communication Quarterly*, 75/4 (2012), p.455.

### III.III. SOFT SKILLS IN THE TANZANIAN LABOUR MARKET

The previous section covered the general theory on soft skills and their impact on employability. However, the circumstances faced by Tanzanian workers requires more specific and contextualised solutions than generalised theory.

Similar to the previous section on entrepreneurship, there still remains a lack of access faced by this paper to direct primary sources and research – making it more difficult to effectively analyse the impact of soft skills on Tanzanian employability specifically. However, in contrast to that earlier section, secondary research and studies already exist on the topic of soft skills in the Tanzanian labour market and on Tanzanian employability. As such, analysing these studies will aim to provide a further, and direct, contextual understanding of the soft skills that would be appropriate for improving Tanzanian employability.

#### i. Kalufya et al.: ‘Employability of Graduates from Higher Education Institutions in Tanzania’

Kalufya et al.’s paper serves as a quantitative analysis of survey data from 200 higher education final year students and 21 employers in Dar Es Salaam to rank different skills in terms of their employability value. The large overall sample size, as well as the direct applicability of the study to Tanzanian employability concerns (since Dar Es Salaam is a primary urban centre, and thus one of the largest sources of higher education graduate employment in Tanzania) makes Kalufya et al.’s study a useful quantitative analysis for investigating soft skills in Tanzanian employability. However, very few employers (the primary determinants of relevant skills for employment) were actually surveyed, and the study was geographically limited to Dar Es Salaam – thereby potentially allowing for a degree of bias and imprecision due to the regional restriction and low sample size. Furthermore, the lack of any qualitative context for each of the skills indicated further hampers any contextual understanding of how such indicated skills are relevant or useful for employability.<sup>77</sup>

#### *Kalufya et al.’s skills rankings: students<sup>78</sup>*

1. TEAM WORKING

3. WORK ETHIC

2. SELF AWARENESS

4. COOPERATION

<sup>77</sup> Nuru Kalufya, ‘Employability of Graduates from Higher Education Institutions in Tanzania’, *Institute of Social Work Journal*. 1/2 (2016), pp.55-56.

<sup>78</sup> *Ibid.*, pp.58-59.

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|--|--|
| 4. ORAL COMMUNICATION                        | 17. ADAPTABILITY                             |
| 5. WRITTEN COMMUNICATION                     | 17. NEGOTIATION                              |
| 6. APPLICATION OF KNOWLEDGE (NOT SOFT SKILL) | 18. LEADERSHIP                               |
| 7. TIME KEEPING/PUNCTUALITY                  | 18. NETWORKING                               |
| 7. SELF MANAGEMENT                           | 19. INFORMATIONAL RETRIEVAL (NOT SOFT SKILL) |
| 8. PROBLEM SOLVING                           | 19. BREADTH OF KNOWLEDGE (NOT SOFT SKILL)    |
| 9. QUESTIONING/LISTENING                     | 20. COMMERCIAL AWARENESS (NOT SOFT SKILL)    |
| 9. UNDERSTANDING CONCEPTS (NOT SOFT SKILL)   | 20. INFORMATION TECHNOLOGY (NOT SOFT SKILL)  |
| 10. PLANNING/ORGANISING                      | 21. DECISIVENESS                             |
| 10. ETHICAL ISSUES                           | 22. TOLERANCE TO STRESS                      |
| 11. INTEGRITY                                | 23. ENTHUSIASM                               |
| 12. CREATIVITY                               | 24. TECHNICAL (NOT SOFT SKILL)               |
| 13. PROFESSIONAL DEVELOPMENT                 | 25. NUMERACY (NOT SOFT SKILL)                |
| 13. UP-TO-DATE                               | 26. DEPENDABILITY                            |
| 14. ATTENTION TO DETAIL                      |  |
| 15. INITIATIVE                               |  |
| 16. INTERPERSONAL                            |  |

***Kalufya et al.'s skills rankings: employers<sup>79</sup>***

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|--|--------------------|
| 1. SELF AWARENESS                            | 3. COOPERATION     |
| 2. APPLICATION OF KNOWLEDGE (NOT SOFT SKILL) | 3. WORK ETHIC      |
| 3. ATTENTION TO DETAIL                       | 3. ETHICAL ISSUES  |
|  | 3. SELF MANAGEMENT |

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<sup>79</sup> Ibid.

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|--|--|
| 3. TEAM WORKING                            | 8. NETWORKING                                |
| 4. INITIATIVE                              | 8. PROFESSIONAL DEVELOPMENT                  |
| 4. ENTHUSIASM                              | 8. BREADTH OF KNOWLEDGE (NOT SOFT SKILL)     |
| 4. UP-TO-DATE                              | 9. QUESTIONING/LISTENING                     |
| 5. INTEGRITY                               | 9. TECHNICAL (NOT SOFT SKILL)                |
| 5. ORAL COMMUNICATION                      | 10. INTERPERSONAL                            |
| 5. PLANNING/ORGANISING                     | 10. LEADERSHIP                               |
| 5. PROBLEM SOLVING                         | 10. NUMERACY (NOT SOFT SKILL)                |
| 5. UNDERSTANDING CONCEPTS (NOT SOFT SKILL) | 11. ADAPTABILITY                             |
| 6. TIME KEEPING/PUNCTUALITY                | 11. INFORMATIONAL RETRIEVAL (NOT SOFT SKILL) |
| 7. TOLERANCE TO STRESS                     | 12. COMMERCIAL AWARENESS (NOT SOFT SKILL)    |
| 7. WRITTEN COMMUNICATION                   | 13. DECISIVENESS                             |
| 8. CREATIVITY                              | 13. NEGOTIATION                              |
| 8. INFORMATION TECHNOLOGY (NOT SOFT SKILL) | 14. DEPENDABILITY                            |

***Kalufya et al.'s findings***

The results of the study notably illustrate a clear disparity between the rankings of employers and students. This thereby indicates a likely mismatch in employer and employee expectations, for both soft and hard skills alike. For instance, the soft skills of attention to detail, ethical issues, and self management rank very highly for employers, but far less so for students. This indicates that these critical soft skills may be neglected somewhat by graduate jobseekers in Tanzania, and should receive a greater training focus to optimise employability. However, there is still consensus between the two rankings on certain soft skills – for instance, self awareness, cooperation, work ethic, and team working all rank highly on both lists.<sup>80</sup>

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<sup>80</sup> Ibid.

These results match well with certain aspects of the theoretical employability-relevant soft skills listed in the previous section – for instance, the focus on ethical issues. However, it is notable that the two highly ranked skills in the previous section (integrity and communication) rank relatively low for employers in this survey.<sup>81</sup> This disparity could indicate a stark shift in preferences by Tanzanian employers specifically. However, it is important to remember that all of these skills managed to rank above a baseline indicating that employers and students found them all significantly important (including communication and integrity), which could indicate that Tanzanian employers do place value in such skills, but just value others more highly.<sup>82</sup>

## ii. Mwita: ‘Tanzania Graduate Employability: Perception of Human Resource Management Practitioners’

Mwita’s study looks into the perception of HR practitioners in Tanzanian firms, on the competency of Tanzanian graduates in various skills. Using a large sample of 120 HR practitioners from private and public companies alike, and issuing a survey for ranking their perception of general graduate competency in each skill on a Likert scale of 1-5 (with 5 being the highest), Mwita provides a good quantitative analysis of the likely general level of competency of the typical Tanzanian graduate from the agents that deal directly with their employability.<sup>83</sup>

### *Mwita’s soft skills rankings*<sup>84</sup>

ADAPTABILITY: 3.13	TOLERANCE TO STRESS: 2.58	COMMERCIAL AWARENESS: 2.57
ATTENTION TO DETAIL: 2.86	WORK ETHIC: 2.65	ETHICAL ISSUES: 2.71
COMMITMENT: 2.80	COOPERATION: 3.09	LEADERSHIP: 2.57
INTEGRITY: 2.70	ORAL COMMUNICATION: 2.84	NEGOTIATION: 2.48
INITIATIVE: 2.49	WRITTEN COMMUNICATION: 3.09	PROBLEM SOLVING: 2.70
SELF -AWARENESS: 2.75		TEAM-WORKING: 2.95
PUNCTUALITY/TIME: 2.65		

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<sup>81</sup> Ibid.

<sup>82</sup> Ibid.

<sup>83</sup> Kelvin M. Mwita, 'Tanzania Graduate Employability: Perception of Human Resource Management Practitioners', *International Journal of Human Resource Studies*, 8/2 (2018), p.265.

<sup>84</sup> Ibid., pp.266-267.

*Mwita's findings*

One key finding of Mwita's study, is that all of the soft skills surveyed indicated an average perception of mediocrity (around or below 3) by HR practitioners of the average Tanzanian graduate. This presents a worrying trend of a general insufficiency of soft skills training for Tanzanian graduates, or at least a perception of it (though, since these HR practitioners determine employability, the difference becomes much less meaningful).<sup>85</sup> Indeed, of the important employability soft skills identified by Kalufya et al., including self-awareness, cooperation, work ethic, team-working, attention to detail, and ethical issues<sup>86</sup>, only cooperation had an average score above 3 (and even then, only barely).<sup>87</sup> This indicates a gross perception of inadequacy of the typical Tanzanian graduate in these key soft skills, and thus a need for focus on them. This is similarly true with the more theoretically important soft skills indicated in the previous section, e.g. integrity and communication<sup>88</sup>, with only written communication barely scoring above 3 as well.<sup>89</sup>

As such, this indicates a general need to improve all of the soft skills indicated as important for Tanzanian employability, as they all are regarded as equally lacking in the current cohort of graduate workers.

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<sup>85</sup> Ibid., p.266.

<sup>86</sup> Nuru Kalufya, 'Employability of Graduates from Higher Education Institutions in Tanzania', *Institute of Social Work Journal*, 1/2 (2016), pp.58-59.

<sup>87</sup> Kelvin M. Mwita, 'Tanzania Graduate Employability: Perception of Human Resource Management Practitioners', *International Journal of Human Resource Studies*, 8/2 (2018), p.266.

<sup>88</sup> Marcel M. Robles, 'Executive Perceptions of the Top 10 Soft Skills Needed in Today's Workplace', *Business Communication Quarterly*, 75/4 (2012), pp.455.

<sup>89</sup> Kelvin M. Mwita, 'Tanzania Graduate Employability: Perception of Human Resource Management Practitioners', *International Journal of Human Resource Studies*, 8/2 (2018), p.266.

### III.IV. SOFT SKILLS IN TANZANIAN EMPLOYABILITY

Employability within Tanzania, and in particular formal employment, remains a great concern and focus for many Tanzanian graduates. This is because stable formal employment provides a greater guarantee of financial stability and consistency, as opposed the greater degree of vulnerability and uncertainty present in informal employment, and the generally unstructured entrepreneurship environment of Tanzania.<sup>90</sup>

As a result, combined with the naturally increased quantity of individuals affected by employability issues compared to entrepreneurship issues, there exists a much larger set of research material on soft skills within employability – and even specifically on soft skills within Tanzanian graduate employability.<sup>91</sup>

Given that Mwita's study found that all soft skills in Tanzanian graduates are regarded as of a generally mediocre or inadequate quality (albeit with certain soft skills slightly higher than others), the average level of every soft skill in Tanzanian graduates calls for significant improvement.<sup>92</sup> As such, the choice of which soft skills are most important to focus on for current Tanzanian employability will be more significantly determined by the issues faced by the Tanzanian labour force and the demands of Tanzanian employers – as opposed to being dictated by any disproportionate gap in the population's supply of any specific soft skills.

As such, based on the issues faced in the Tanzanian labour market, the lack of skills cited as one of the key obstructions for Tanzanian employment can be summarised as shortcomings in these particular soft skills: communication, problem solving/innovation/creativity, adaptability, positive attitudes towards work, accountability/integrity/ethics, and self-motivation.<sup>93</sup>

Based on general soft skills and employability theory, this list remains consistent as it includes many of the key soft skills often referred to in such studies – including integrity, communication, problem-solving, and ethical considerations.<sup>94,95</sup>

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<sup>90</sup> LO/FTF Council Analytical Unit, *Labour Market Profile 2018: Tanzania & Zanzibar* (Copenhagen: Ulandssekretariatet, 2018), p.ii.

<sup>91</sup> Nuru Kalufya, 'Employability of Graduates from Higher Education Institutions in Tanzania', *Institute of Social Work Journal*, 1/2 (2016).

<sup>92</sup> Kelvin M. Mwita, 'Tanzania Graduate Employability: Perception of Human Resource Management Practitioners', *International Journal of Human Resource Studies*, 8/2 (2018), p.266.

<sup>93</sup> Agence de Presse Africaine (APAnews), 'Tanzania advised to scale up on youth labour market skills' (Dakar: 22 Feb 2017), p.1.

<sup>94</sup> Marcel M. Robles, 'Executive Perceptions of the Top 10 Soft Skills Needed in Today's Workplace', *Business Communication Quarterly*, 75/4 (2012), pp.455.

<sup>95</sup> Jami Dixon et al., 'The Importance of Soft Skills', *Corporate Finance Review*, 14/6 (2010), p.36.

Based on the Tanzanian-specific studies on soft skills demands by employers, the list also remains consistent as it includes soft skills related to ethical issues and work ethic which rank highly on Kalufya et al.'s employer soft skill rankings.<sup>96</sup> However, employers also indicated preferences for attention to detail, self-management, self-awareness, cooperation, and team working soft skills, which would be good to therefore include in any focused training programme to help match graduate skills with employer demands.<sup>97</sup>

As a result, based on issues in the labour market, and specific demands of employers, the soft skills that would be most valuable to focus on to boost Tanzanian employability would be: communication, problem solving/innovation/creativity, adaptability, positive attitudes towards work, accountability/integrity/ethics, self-motivation, attention to detail, self-management, self-awareness, cooperation, and team working.<sup>9899</sup>

In particular, initiative (important for self-management) and work ethic are considered particularly lacking by Mwita's study in current Tanzanian graduates, and so may bear worthwhile returns from an additional focus on these soft skills. However, the difference in competency Mwita's study between soft skills remains largely minimal, and all of the listed soft skills, aside from adaptability and written communication, score below average (and these two only barely score above average).<sup>100</sup> This renders the argument for focusing on initiative and work ethic training somewhat questionable, and a training programme may be better off focusing equally on all of the listed soft skills, since the deficit of each skill in the average Tanzanian graduate remains largely similar across the list.

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<sup>96</sup> Nuru Kalufya, 'Employability of Graduates from Higher Education Institutions in Tanzania', *Institute of Social Work Journal*, 1/2 (2016), pp.58-59.

<sup>97</sup> Ibid.

<sup>98</sup> Ibid.

<sup>99</sup> Agence de Presse Africaine (APAnews), 'Tanzania advised to scale up on youth labour market skills' (Dakar: 22 Feb 2017), p.1.

<sup>100</sup> Kelvin M. Mwita, 'Tanzania Graduate Employability: Perception of Human Resource Management Practitioners', *International Journal of Human Resource Studies*, 8/2 (2018), p.266.

## IV. CONCLUSION

Based on the findings from the investigation into soft skills in Tanzanian entrepreneurship, and soft skills in Tanzanian employability, it is possible to draw up a comprehensive list of the soft skills recommended for each of the different objectives. Following this, a combined list could then be drawn up of the overlapping soft skills applicable to both, to identify the most important soft skills for both entrepreneurship and employability in Tanzania.

In terms of entrepreneurship, the list of soft skills includes: risk-taking, innovation, communication, interpersonal relationship, teamwork, problem-solving, and leadership.

In terms of employability, the list of soft skills includes: communication, problem-solving/innovation/creativity, adaptability, positive attitudes towards work, accountability/integrity/ethics, self-motivation, attention to detail, self-management, self-awareness, cooperation, and team working.

As such, the combined list of soft skills that are most important for both entrepreneurship and employability would be: innovation, communication, teamwork, and problem-solving.

It is important to note however, that many (if not all) of the soft skills in the individual lists which did not make it onto the final combined list, are still soft skills that are valued by the respective other objective as well – just not as highly. For instance, self-awareness in the employability list is also considered an important entrepreneurship soft skill by Holmberg-Wright's study<sup>101</sup>, and leadership and interpersonal relationships in the entrepreneurship list are also considered important soft skills for employability by Kalufya et al.'s survey data<sup>102</sup> and Robles' findings<sup>103</sup>. However, as these were not as manifestly critical for entrepreneurship and employability respectively, compared to other soft skills, they did not make it onto the initial final lists – and so could not be placed on the combined list for both objectives. It is clear though, that such skills, like many of the others on the individual lists, are evidently important to both objectives, and could therefore also be justifiably included in training programmes intended for boosting both entrepreneurship and employability.

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<sup>101</sup> Kristin Holmberg-Wright, 'Soft Skills - The Missing Piece for Entrepreneurs to Grow a Business', *American Journal of Management*, 16/1 (2016), p.15.

<sup>102</sup> Nuru Kalufya, 'Employability of Graduates from Higher Education Institutions in Tanzania', *Institute of Social Work Journal*, 1/2 (2016), pp.58-59.

<sup>103</sup> Marcel M. Robles, 'Executive Perceptions of the Top 10 Soft Skills Needed in Today's Workplace', *Business Communication Quarterly*, 75/4 (2012), pp.455.

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