

# **FOSTERING MANAGERIAL SKILLS DEVELOPMENT AMONGST MICRO-ENTREPRENEURS: EXPERIMENTAL EVIDENCE FROM TANZANIA**

**Terrence Kairiza**

## **Abstract:**

We examine the effectiveness of management training for the financial performance of microenterprises on the basis of a randomized experiment we carried out in female dominated garment manufacturers in Tanzania using multiple treatment statuses to transfer management knowledge. The business trainings examined are the conventional classroom type training, on-site training with peer learning as well as a combination of the two methods. Training impact is evaluated on accounting-based indicators of performance such as revenue as well as on the adoption of business practices. We use ANCOVA regression which controls for the baseline values of the outcome variables to evaluate training impacts. We find that classroom training significantly impacts revenue though the adoption of practices that increase revenue or enhance revenue accounting which are typically emphasized during classroom-type of training. On the other hand the on-site training was able to increase the profits and value added of the participants through the adoption of practices that reduce waste in the workshop.