



Network Dimensions and Performance of Small-sized Food Processing enterprises in Dar es Salaam Tanzania: An Empirical Study

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Abstract

Food processing sector in developing countries as it is in Tanzania largely depend on networks. This is because businesses in context are often constrained by lack of enough financial and other physical resources. Although network literature is replete of its dimensions, small-sized firms' networks are not fully contextualized. This study examines network dimensions on performance of small-sized food processing enterprises in Dar es Salaam Tanzania. Investigation is done in two perspectives (i) network dimension defined by range and intensity of firms' level of involvement into particular network relationships is essential resource that foster business expansion, increase market size and guarantees new markets. (ii) The expansion process is further translated or measured as firm's performance. The research variables were innovatively developed based network dimension model and 'fine grained' from theoretical literature review whereby two hypotheses were generated and tested using p-values and a multivariate logistic regression model from 50 food processors. Findings reveal that firm's with intensive and many network relationships are comparatively performing better than those without. However, costs related to networks sometimes acted as bottleneck to performance. To lower the costs of networking, businesses had respective departments that liaise with business associations and the government. We recommend that the government should support business associations and where possible reduce bureaucracy in her communications with businesses.

Keywords: Network Dimensions, Performance, Small-sized food processors, Dar es Salaam, and Tanzania.