

The Mchumi Diagram Presentation in Higher Learning Institutions in Tanzania: Feedback and Insights

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ABSTRACT

The Mchumi Diagram was presented at six higher-learning institutions in Tanzania in 2019, including Sokoine University of Agriculture (SUA), the Open University of Tanzania (OUT), St. Augustine University of Tanzania (SAUT), Tumaini University Dar es Salaam College (TUDARCO), College of Business Education (CBE), and the Institute of Social Work (ISW). The presentations featured public lectures attended by university communities consisting of students, academic staff, and non-academic staff. Following the lectures, feedback sessions were held, during which randomly selected respondents completed evaluation questionnaires. The results indicated that 86.6% of respondents found the Mchumi Diagram to be a valuable tool for entrepreneurship training, particularly in inspiring and instilling entrepreneurial characteristics in the younger generation.

Similarly, in 2016, the Mchumi Diagram was presented to primary and secondary schools in Dar Es Salaam, Tanzania, with 96.3% of respondents recognizing its usefulness. Based on these results, the Mchumi Diagram is recommended for training programs designed to impart entrepreneurship skills, particularly in light of the "Double S" factor as characterized by the diagram.

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Introduction

Undoubtedly, entrepreneurship can significantly contribute to the socio-economic welfare of individuals, communities, and countries. By taking on risks in the hope of profit, entrepreneurs and companies establish businesses that create employment and generate income. This, in turn, leads to a multiplier effect benefiting both direct and indirect stakeholders, including business owners, employees, governments through tax collection, and communities enjoying goods and services provided by these businesses. Nguliki (2016) emphasizes that entrepreneurship has received global attention as a viable solution for poverty eradication. It is seen as one of the most effective approaches in many countries to address rising youth unemployment.

Several factors can influence the success or failure of a business. These factors can be broadly categorized into internal and external factors:

Internal Factors:

- i. *Leadership and Management:* Effective leadership and strong management are crucial for setting the vision, making strategic decisions, and managing day-to-day operations.
- ii. *Financial Resources:* Adequate capital and financial management ensure that the business can cover operational costs, invest in growth, and handle financial challenges.
- iii. *Human Resources:* Skilled, motivated, and well-managed employees are essential for productivity and innovation.
- iv. *Operational Efficiency:* Streamlined processes, effective supply chain management, and efficient use of resources impact productivity and profitability.
- v. *Product/Service Quality:* Offering high-quality products or services that meet customer needs is key to building a strong reputation and customer loyalty.
- vi. *Innovation and Adaptability:* The ability to innovate and adapt to market changes, such as adopting new technologies or responding to customer feedback, is vital for long-term success.
- vii. *Corporate Culture:* A positive, inclusive, and performance-oriented culture can boost employee morale and attract top talent.

External Factors:

- i. *Market Conditions:* Market trends, customer preferences, and demand can significantly affect business performance. Understanding the market landscape is crucial for competitiveness.

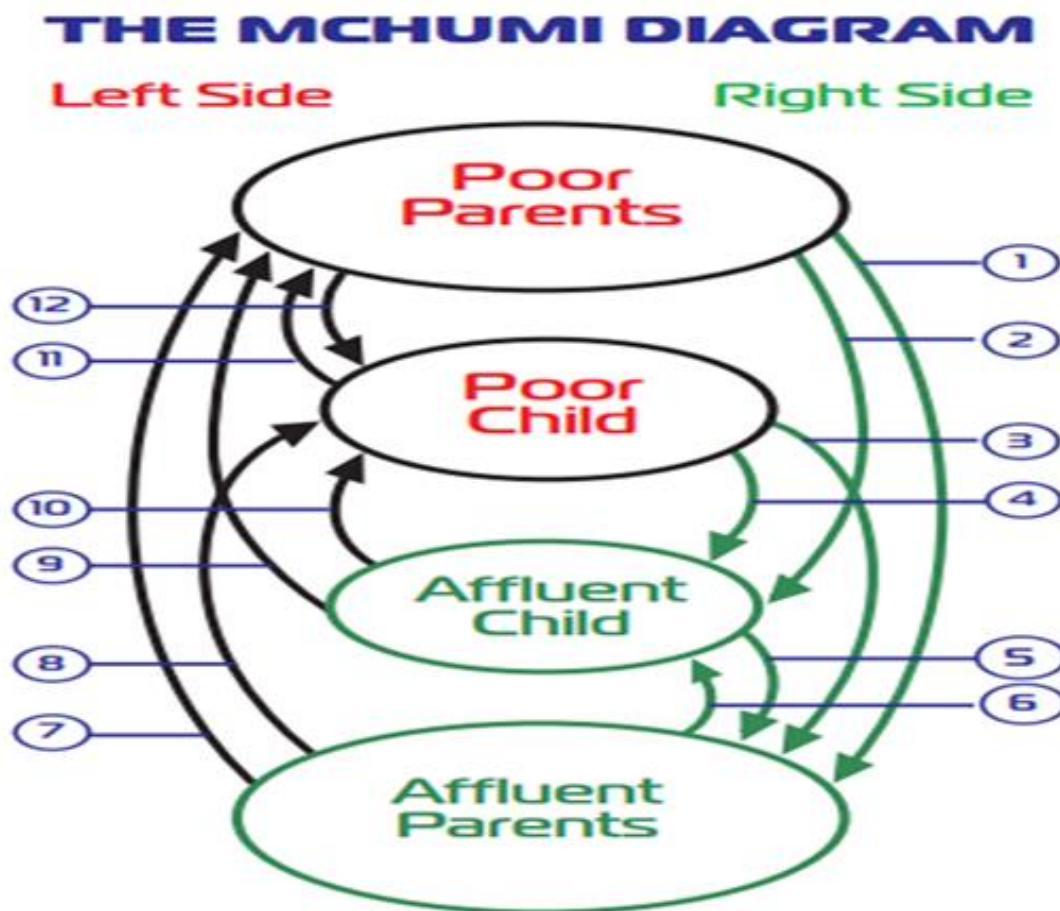
- ii. *Competition:* The presence and strategies of competitors can influence pricing, marketing, and product development decisions.
- iii. *Economic Environment:* Economic factors such as inflation, interest rates, and economic growth or recession can impact consumer spending and business costs.
- iv. *Political and Legal Factors:* Government policies, regulations, and legal requirements, including taxes, labor laws, and environmental regulations, can affect business operations.
- v. *Technological Advancements:* Rapid technological changes can create new opportunities or render existing products and services obsolete.
- vi. *Social and Cultural Trends:* Shifts in societal values, demographics, and cultural trends can affect consumer behavior and demand.
- vii. *Globalization:* Global competition, trade policies, and international market opportunities can influence business strategies and growth potential.
- viii. *Environmental Factors:* Natural disasters, climate change, and sustainability concerns can impact supply chains, operations, and public perception.
- ix. *Supply Chain and Logistics:* Dependence on suppliers, transportation issues, and logistical challenges can affect product availability and business continuity.
- x. *Customer Behavior:* Changes in consumer preferences, buying patterns, and brand loyalty directly impact sales and profitability.

Understanding and strategically managing various factors can help businesses navigate challenges and seize opportunities. However, managing these factors is often challenging, leading to the failure of many micro, small, medium, and large enterprises. Mohammed et al. (2016) examined factors influencing university students' choice of entrepreneurship and their awareness of government schemes promoting entrepreneurship in Oman. The study highlighted six variables: society, tradition and culture, financial risk, knowledge and skills, lack of proper funding, suitable location, and family support. The findings revealed a lack of awareness among respondents regarding government initiatives for entrepreneurship promotion, suggesting the need for techniques to increase awareness.

Similarly, several studies have explored factors affecting entrepreneurship, including works by Chen & Lai (2010), McPherson (1998), Mboko & Smith-Hunter (2009), Brinda & Yahyae (2012), Goel et al. (2007), and Goodbody Economic Consultants (2002). These studies emphasize the importance of entrepreneurship training, highlighting the need to strengthen such training to develop entrepreneurs with the skills necessary for successful business management.

This paper shares feedback and insights following the presentation of the Mchumi Diagram in six higher-learning institutions in Tanzania in 2019, including Sokoine University of Agriculture

(SUA), the Open University of Tanzania (OUT), St. Augustine University of Tanzania (SAUT), Tumaini University Dar es Salaam College (TUDARCO), College of Business Education (CBE), and the Institute of Social Work (ISW). Nguliki (2016) explained the development and testing of the Mchumi Diagram in primary and secondary schools. The diagram was later presented in higher-learning institutions to gather insights from academics. The next section presents an illustration and description of the Mchumi Diagram.



The Mchumi Diagram is an illustration that captures the dynamic nature of an individual or household's economic life status. It visually represents the potential transitions between two key economic states: poor life status and affluent life status. The diagram is designed to instill entrepreneurship spirit and skills by presenting a schematic view of how individuals or households can move between these two statuses. It highlights that one could remain permanently in either state or experience temporary shifts between poverty and affluence, emphasizing the fluidity of economic conditions and the impact of entrepreneurial actions on these transitions.

Description of the Mchumi Diagram

The Mchumi Diagram comprises four circles and twelve numbered arrows connecting them. The two circles at the top symbolize poor life status (poverty life), while the two at the bottom represent affluent life status (good life). In international development, household welfare levels are typically measured by factors such as income, shelter, asset ownership, food security, health, and education. Poverty, therefore, is a multidimensional phenomenon, and perceptions of who is poor or not vary among different people, communities, countries, and continents. The Mchumi Diagram acknowledges this diversity by allowing room for varied definitions of poverty based on the specific context of individuals, communities, and countries. Thus, within any given community, certain individuals are identified as either poor or affluent according to the poverty criteria that are most relevant to that community.

The arrows in the Mchumi Diagram

To clarify the directions and meanings of the arrows in the Mchumi Diagram, the table below explains the movement towards poor life status (left side) and affluent life status (right side):

Arrow	Direction	Explanation
Right Side (Movement Toward Affluent Life Status)		
Arrow 1	Poor parent → Affluent parent	By acquiring entrepreneurship skills and spirit, a poor adult or parent can transform their life status, becoming affluent through entrepreneurial activities.
Arrow 2	Poor child → Affluent child	A child born to poor parents can leverage their talents (e.g., in sports, and education) to change their life status from poor to affluent before reaching adulthood.
Arrow 3	Poor child → Affluent adult	A poor child can acquire entrepreneurship skills and spirit and use them in adulthood to improve their life status and become affluent.
Arrow 4	Poor child → Affluent child	Similar to Arrow 2, this represents children using their talents to become affluent before adulthood.
Arrow 5	Affluent child → Affluent adult	An affluent child can maintain their affluent status by acquiring and utilizing entrepreneurship skills and spirit, bridging to an affluent parent.
Arrow 6	Affluent parent → Affluent child	In most cases, affluent parents ensure their children also become affluent through bequests, inheritance, and other means of transferring wealth and status.
Left Side (Movement Toward Poor Life Status)		
Arrow 7	Affluent parent → Poor parent	Affluent parents may experience a decline in wealth due to factors such as business failure, job loss, or other financial challenges, leading to a shift to a poorer life status.
Arrow 8	Affluent parent → Poor child	Despite affluent parents, if the children do not acquire and use entrepreneurship skills and spirit, they may become poor after the parents' passing or other life events.
Arrow 9	Affluent child → Poor parent	As affluent children grow older, if they lack entrepreneurship skills and spirit, they may squander wealth and eventually become poor.

Arrow 10	Affluent child → Poor child	Without entrepreneurship skills and spirit, an affluent child may lose their wealth before adulthood, resulting in a poor life status.
Arrow 11	Poor child → Poor adult	A poor child who lacks entrepreneurship skills and spirit is likely to remain poor throughout their life, unable to break the cycle of poverty.
Arrow 12	Poor parent → Poor child	Poor parents often have poor children due to limited investment in education or opportunities, perpetuating the cycle of poverty across generations.

This table shows how each arrow in the Mchumi Diagram represents a specific path towards either affluent or poor life status, illustrating the dynamic impact of entrepreneurship skills, spirit, and life circumstances.

Explanation of the arrows in the Mchumi Diagram

The Mchumi Diagram outlines various scenarios involving the transition between poor and affluent statuses across generations, using entrepreneurship skills and spirit as key factors. Below is a summary of the arrows with some clarifications:

1. **Arrow 1:** An adult or poor parent can acquire entrepreneurship skills and spirit, using them to transform their life by engaging in viable entrepreneurial activities. This allows them to take advantage of opportunities within their community or country.
2. **Arrow 2:** A child born to poor parents may leverage their talents in sports, games, education, or other areas to improve their life status, changing from poor to affluent before reaching adulthood.
3. **Arrow 3:** A poor child may acquire entrepreneurship skills and spirit and utilize them in adulthood to change their life status from poor to affluent.
4. **Arrow 4:** Poor children may also take advantage of their talents in sports, games, education, or other fields to improve their life status from poor to affluent before reaching adulthood.
5. **Arrow 5:** An affluent child can exploit entrepreneurship skills and spirit to maintain their affluent life status, bridging the gap between themselves and their affluent parents.
6. **Arrow 6:** In most cases, affluent parents ensure their children remain affluent through various means, including providing bequests and inheritance.
7. **Arrow 7:** The life status of affluent parents can change to poor, for example, due to a business collapse or job loss resulting in a lack of regular income.

8. **Arrow 8:** Affluent parents may have poor children, particularly if the parents pass away before the children acquire and utilize entrepreneurship skills and spirit. Despite being born into wealth, these children may become poor.
9. **Arrow 9:** An affluent child who lacks entrepreneurship skills and spirit may eventually become poor as they grow into adulthood, unable to manage wealth effectively.
10. **Arrow 10:** An affluent child without entrepreneurship skills and spirit is likely to become poor before adulthood. Wealth requires proper management, and without these skills, it is easy to lose financial status.
11. **Arrow 11:** A poor child without entrepreneurship skills and spirit is likely to remain poor throughout their life, unable to break the cycle of poverty.
12. **Arrow 12:** Poor parents typically have poor children due to meager investment in the child's future, often perpetuating the cycle of poverty.

These arrows effectively capture the dynamic nature of socioeconomic status and emphasize the importance of entrepreneurship skills and spirit in navigating and altering one's economic path.

Entrepreneurship Characteristics

The Mchumi Diagram highlights twenty-five essential characteristics that are commonly found in successful entrepreneurs. These characteristics, though varying in intensity from one individual to another, are vital for entrepreneurial success. The diagram underscores the importance of cultivating these traits to enhance one's entrepreneurial journey. Below is a presentation of the characteristics along with their corresponding meanings:

1. *Determination:* The firmness of purpose and persistence in pursuing goals.
2. *Dedication:* Commitment to one's goals and work, often involving significant effort and time.
3. *Perseverance:* Continued effort to achieve something despite difficulties or delays.
4. *Commitment:* A strong sense of responsibility and dedication to one's goals or projects.
5. *Self-Confidence:* Trust in one's abilities, qualities, and judgment.
6. *Achievement-Oriented:* Focused on setting and accomplishing goals.
7. *Moderate Risk-Taker:* Willingness to take calculated risks that balance potential rewards with potential losses.

8. *Courageous*: The ability to confront fear or challenges with bravery.
9. *Creative*: The ability to generate new ideas and innovative solutions.
10. *Visionary*: Having the foresight to plan for the future and anticipate opportunities.
11. *Innovative*: The capacity to introduce new methods, ideas, or products.
12. *Independent*: The ability to work and make decisions autonomously.
13. *Versatile*: Being adaptable and able to handle a variety of tasks or roles.
14. *Energetic*: Having a high level of enthusiasm and stamina.
15. *Optimistic*: Maintaining a positive outlook, even in the face of challenges.
16. *Team Player*: The ability to work well with others towards a common goal.
17. *Team Builder*: The ability to create and lead effective teams.
18. *Communicator*: Proficient in sharing information clearly and effectively.
19. *Organized*: The ability to plan and arrange tasks systematically.
20. *Trustworthy*: Being reliable and worthy of trust.
21. *Resilient*: The ability to recover quickly from setbacks and adapt to change.
22. *Proactive*: Taking initiative and anticipating future needs or problems.
23. *Motivated*: Driven to achieve goals and succeed.
24. *Motivating*: The ability to inspire and encourage others.
25. *Knowledgeable*: Having a deep understanding of relevant topics, skills, and industry insights.

These characteristics are fundamental in shaping a successful entrepreneur, providing a well-rounded foundation of skills and spirit essential for navigating the complexities of the business world.

Entrepreneurship skills and spirit

The Mchumi Diagram categorizes entrepreneurship characteristics into two main groups: entrepreneurship skills and entrepreneurship spirit, collectively referred to as the "Double S"

factor. This classification recognizes that while some entrepreneurial traits are skill-based, others are rooted in one's spirit or mindset.

Skills: These refer to the ability to perform tasks effectively, usually acquired through training, practice, or experience. Skills can be technical, such as computer programming or carpentry, or soft, like communication or leadership.

Spirit: This encompasses the attitude, energy, or enthusiasm that drives a person's actions and mindset. Spirit refers to underlying qualities like determination, courage, and teamwork, which fuel an entrepreneur's persistence and resilience.

The Mchumi Diagram further categorizes the 25 characteristics of successful entrepreneurship into these two groups, acknowledging that many characteristics may embody both skill and spirit aspects. The table below presents the division based on the degree to which these characteristics are pronounced as either skills or spirit.

Entrepreneurship skills	Entrepreneurship spirit
Knowledgeable	Dedication
Moderate risk taker	Perseverance
Creative	Commitment
Visionary	Courageous
Innovative	Energetic
Independent	Optimistic
Versatile	Trustworthy
Team player	Self- confidence
Team builder	Achievement-oriented
Communicator	Resilient
Organized	Proactive
Motivating	Motivated

The Mchumi Diagram Key Insights:

1. **Dynamic Economic Status:** Economic status is not static; it fluctuates based on the actions and efforts of individuals or households. This idea resonates with the biblical verse: "So, if you think you are standing firm, be careful that you don't fall!" (1 Corinthians 10:12, NIV). Similarly, affluence is not permanent and requires ongoing effort to maintain.
2. **Entrepreneurial Characteristics:** A successful entrepreneur should embody, to varying degrees, the 25 key characteristics of entrepreneurship.

3. ***The Double S Factor:*** These 25 characteristics are categorized into two essential components—skills and spirit—referred to as the "Double S" factor.
4. ***Training Methods for Skills and Spirit:*** Entrepreneurship skills and spirit each require distinct methods and techniques for effective training. While educational institutions are generally better equipped to teach entrepreneurship skills, they often fall short in imparting the entrepreneurial spirit. Therefore, it's crucial to explore appropriate techniques for developing both skills and spirit.
5. ***Interconnectedness of Skills and Spirit:*** Entrepreneurship skills and spirit reinforce one another. Skills enhance business performance, while spirit sustains the drive to start and persist in business. Many graduates, despite possessing entrepreneurship skills, fail to establish enterprises due to a lack of entrepreneurial spirit.

Presentation of the Mchumi Diagram in higher learning institutions

In 2019, the Mchumi Diagram was presented at six higher-learning institutions in Tanzania, following a structured three-phase process:

1. **Logistics Phase:**
 - The author prepared training materials, including a roll-up banner featuring the Mchumi Diagram.
 - Permissions were sought from the management of each participating institution.
2. **Presentation Phase:**
 - The Mchumi Diagram was presented to university communities, including students, academic staff, and non-academic staff.
 - Public lectures were delivered, focusing on entrepreneurship training through the Mchumi Diagram.
3. **Evaluation Phase:**
 - Feedback was gathered through discussions and evaluation questionnaires completed by randomly selected participants.

The Mchumi Diagram was successfully presented at the following institutions:

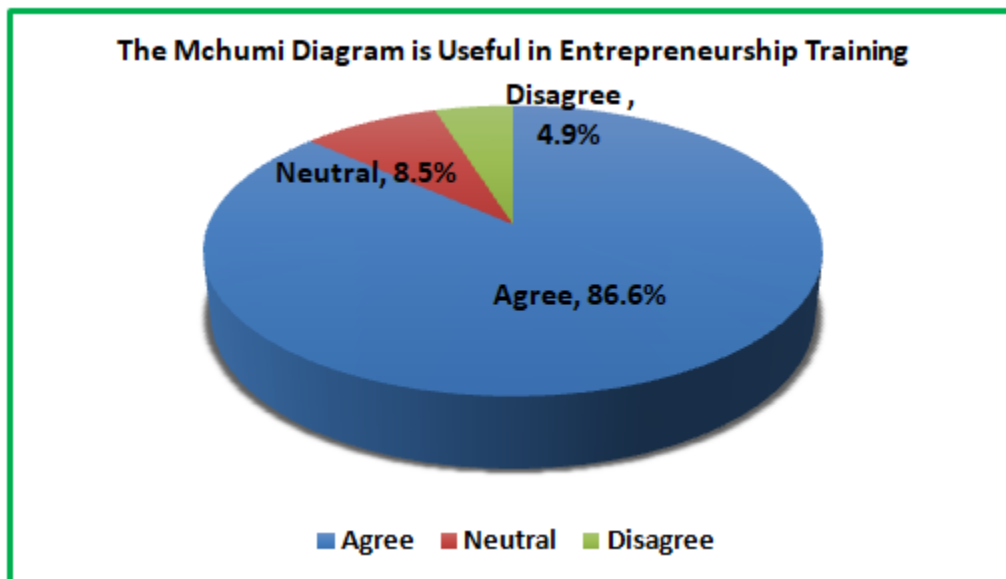
- i. Sokoine University of Agriculture (SUA), Morogoro
- ii. Open University of Tanzania (OUT), Dar es Salaam
- iii. St. Augustine University of Tanzania (SAUT), Dar es Salaam and Mwanza campuses
- iv. Tumaini University Dar es Salaam College (TUDARCO), Dar es Salaam

- v. College of Business Education (CBE), Dar es Salaam
- vi. Institute of Social Work (ISW), Dar es Salaam

For instance, the public lecture at SUA was announced online, providing an open invitation to the university community [Link to SUA announcement](#).

A total of 450 participants attended the lectures across the six institutions. From these, 83 participants (41% female, 59% male) were selected to complete the evaluation questionnaire. The results revealed that 86.6% of respondents found the Mchumi Diagram to be a valuable tool for entrepreneurship training, particularly in inspiring and instilling entrepreneurial characteristics in the younger generation.

However, a key insight from the evaluation was that the Mchumi Diagram did not explicitly address how to impart entrepreneurship spirit, which was identified as a major gap in current entrepreneurship training programs.



Conclusion

In conclusion, entrepreneurship plays a vital role in fostering socio-economic development by creating employment opportunities, generating income, and contributing to poverty alleviation. The success of entrepreneurial ventures is influenced by a range of internal and external factors, underscoring the need for a comprehensive approach to entrepreneurship training and support. Through initiatives like the Mchumi Diagram, which emphasizes the importance of entrepreneurship skills and spirit, it is possible to inspire and equip individuals with the

necessary tools to navigate the challenges of the business world successfully. By addressing the gaps in current entrepreneurship training methods and raising awareness of available resources, particularly among the youth, we can cultivate a generation of entrepreneurs who are better prepared to contribute to the economic growth of their communities and countries.

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