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Factors Affecting Small and Medium Transport Enterprises in Njombe and Mbeya Districts, Tanzania

Emmanuel M. Tonya
Department of Business Management, Mbeya University of Science and Technology (MUST), P. O Box 131, Mbeya, Tanzania

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ABSTRACT

The transport sector is vital to Tanzania's economy, significantly contributing to GDP and employment. However, a high failure rate among transport businesses, particularly within their first three years of operation, poses a critical challenge. This study investigates the factors influencing the sustainability of transport businesses, focusing on financial resources, regulatory environment, infrastructure quality, and management practices. The study was guided by the Resource-Based View (RBV) theory; a quantitative approach was employed, sampling 140 respondents from the Njombe and Mbeya regions. Data collection involved structured questionnaires, and statistical analyses included correlation and regression methods. The findings reveal significant barriers to sustainability, including limited access to financial resources, regulatory challenges, poor infrastructure, and inadequate management skills. Financial practices were underutilised, with 51.8% of businesses not adhering to financial management standards. Infrastructure deficits, especially in rural areas, emerged as a critical obstacle, with 93.7% of respondents identifying poor road conditions as hindering profitability. Regulatory constraints also represent substantial obstacles, with 63.4% of respondents dissatisfied with the regulatory environment. The study concludes that addressing these issues is crucial for enhancing the longevity of transport businesses in Tanzania. Recommendations include improving access to financial resources through government support programmes, investing in infrastructure development, streamlining regulatory policies to favour business operations, and promoting capacity building for management teams. These measures are imperative for fostering a sustainable and strong transport sector, ultimately contributing to Tanzania's economic development and achieving broader socio-economic goals.

*Corresponding author's e-mail address: emmanuel.mgsyatonya@gmail.com (Tonya, E.)

1.0 Introduction

The transport sector is a critical component of Tanzania's economy, contributing significantly to the country's GDP and employment (Kakomile & Komba, 2024). However, many transport businesses in Tanzania face significant challenges, with a high rate of business collapse within the first three years of establishment (Tonya, 2015; Lundvall, 2022). This research investigates the factors affecting the sustainability of transport businesses in Tanzania, offering an overview of the underlying issues and proposing strategies to enhance business longevity. The problem of business failure within the transport sector can be attributed to various factors, including financial constraints, regulatory challenges, infrastructure issues, and management practices (Nchimbi & Nkuba, 2020; Kakomile & Komba, 2024). Previous studies have highlighted the importance of financial management, government policies, and market conditions in determining business success. For instance, a study (Mwakalobo, 2019) found that inadequate access to finance and poor financial management practices were significant barriers to the sustainability of small and medium-sized enterprises (SMEs) in Tanzania. Additionally, the regulatory environment, including tax policies and licensing requirements, has been shown to impact business operations (Kiondo & Pelizzo, 2018; Ikasu & Matimbwa, 2019).

Given the critical role of the transport sector in Tanzania's economic development, understanding the factors contributing to the high failure rate of transport businesses is essential. This research explores these factors, focusing on financial, regulatory, infrastructural, and managerial aspects, and providing recommendations to improve business sustainability. Transport is crucial for development because, without physical access to resources and markets, health, education, and other social services, the quality of life suffers, growth stagnates, and poverty reduction cannot be sustained (Msambichaka & Mashindano, 2003; Rodrigue, 2024).

The transport sector is a critical component of Tanzania's economy, contributing significantly to the country's GDP and employment (URT, 2021). However, many transport businesses in Tanzania face significant challenges, with a high rate of business collapse within the first three years of establishment (Tonya, 2015; Kiondo & Pelizzo, 2018). The problem of business failure within the transport sector can be attributed to various factors, including financial constraints, regulatory challenges, infrastructure issues, and management practices (Njiru & Nyamwange, 2014; Rumisha, 2023). Previous studies have highlighted the importance of financial management, government policies, and market conditions in determining business success. For instance, a Mwakalobo (2019) survey found that inadequate access to finance and poor financial management practices were significant barriers to the sustainability of small and medium-sized enterprises (SMEs) in Tanzania. Additionally, the regulatory environment, including tax policies and licensing requirements, has impacted business operations and sustainability (Kiondo & Pelizzo, 2018; Rumisha, 2023; Kisanjara & Matimbwa, 2024).

In Tanzania, the transportation sector includes surface transportation such as roads and railroads, inland waterways including rivers and lakes, air transport, and maritime transport, mainly involving the ocean (URT, 2021). The sector contributed USD 3.8 billion to the country's real GDP in 2018, up from USD 2.8 billion in 2014, marking a 33% rise (Kakomile & Komba, 2024). The quantity of passenger movements and freight transported by road transportation are two major growth factors for the sector. Similarly, the government has identified the sector as one of the potential areas of interest in the country's future economy. According to Tanzania's 2025 Development Vision, the government intends to invest massively in infrastructure, notably transport systems and road network development (URT, 2021). Surface transport and, more significantly, road networks have been the most defining signs of the transportation sector in Tanzania. As of 2018, over 90% of passengers and more than 75% of freight were transported by road-based systems (URT, 2021).

Tanzania has a total road network of 86,472 kilometres, with 12,786 kilometres of trunk

highways, 21,105 kilometres of regional roads, and 52,581 kilometres of district, urban, and feeder roads. Through the Tanzania National Roads Agency (TANROADS), the responsible ministry oversees the country's 33,891 road networks, which include 12,786 kilometres of trunk and 21,105 kilometres of regional roads. The President's Office Regional Administration and Local Government (PO-RALG), through the Tanzania Rural and Urban Roads Agency (TARURA), is in charge of the remaining network of around 53,460 kilometres of urban, district, and feeder highways (URT, 2021).

The development of transport infrastructures and the continuous improvement of the infrastructure have massive implications for the overall economy and mobilise the economy's growth (Perkins & Robbin, 2011; Seshaih & Reddy, 2018). Therefore, it is clear that a massive investment in transport corridor infrastructures tends to influence the economy, as speculated (Owino, 2019) in the case of Kenya. In a similar perspective, a controversial result revealed by Vlahinić, Pavlić Skender, & Mirković (2019) is that there is a negative relation between road infrastructural development and economic growth despite showing a positive impact on the railway corridors. Therefore, in the case of Central and Eastern Europe, the developed economies where the study was performed, the railway infrastructures are more reliable in enhancing economic growth than road networks. Therefore, it is essential to pinpoint that transportation and communication are the most vital elements for economic development. This point can also be proved in the case of Tanzania's budget, where most of the budgetary spending by the country is made on transport and communication infrastructure development (Adam, Bevan, & Gollin, 2018; Epaphra & Mwakalasya, 2017).

Given the critical role of the transport sector in Tanzania's economic development, understanding the factors contributing to the high failure rate of transport businesses is essential. This research will explore these factors, focusing on financial, regulatory, infrastructural, and managerial aspects, and providing recommendations to improve business sustainability. This research aimed to investigate the factors affecting the sustainability of transport businesses in Tanzania, offering explanations for the underlying issues and proposing strategies to enhance business longevity. This study was guided by the Resource-Based View theory, which has been widely applied in various sectors, including transport. Studies have shown that businesses with better resource access tend to perform better and sustain longer (Peteraf, 1993; Wernerfelt, 1984). Empirical studies in the transport sector have also indicated that factors such as access to finance, regulatory environment, and infrastructure significantly impact business sustainability. The RBV theory posits that a firm's financial, physical, human, and organisational resources determine its competitive advantage and sustainability (Nziku & Henry, 2019). According to Barney (1991), resources must be valuable, rare, inimitable, and non-substitutable (VRIN) to provide a sustained competitive advantage. There are mainly four variables of the RBV Theory, which include the following:Financial resources denote the ability to access capital, financial management practices, and economic stability; physical resources denote the quality and availability of transport infrastructure and equipment; human resources include the skills, experience, and management practices of employees; and organisational resources entail the internal processes, organisational culture, and strategic planning. Several studies in transport management have come up with different views on factors affecting growth and sustainability.

Nziku and Henry (2019) found in their study on SMEs in the transport sector in Dar es Salaam, Tanzania, that access to finance critically influences business sustainability. Their research indicated that businesses with better financial management practices and access to capital were more likely to sustain operations beyond three years, as noted in a study by Tonya (2015). Financial management is pivotal in steering businesses towards sustained profitability and growth in transportation services. This domain encompasses a broad spectrum of activities, from budgeting and accounting to investment and risk management.

Kamugisha and Mushi (2017), emphasising the role of infrastructure in the transportation sector and its sustainability, noted that the role of infrastructure quality in the sustainability of transport businesses has to be viewed with different emphases. The study highlighted that poor road conditions and inadequate transport infrastructure were significant barriers to business sustainability and growth. The study recommended substantial investments in infrastructure to support the transport sector's growth and sustainability.

Nchimbi and Nkuba (2020) conducted a study focused on the influence of management practices on the sustainability of transport businesses in Mwanza, Tanzania. The study results demonstrated that companies with effective management practices, including strategic planning and employee training, had higher survival rates. Strategic planning helps an organisation establish and monitor its progress against long-term plans, resulting in greater operational efficiency and profitability. Without a strategic plan, organisations may struggle to maintain focus, allocate resources efficiently, or adapt to changing circumstances (Tonya, 2015). Strategic management in the transport sector increases opportunities for growth or competitiveness. Companies with strategic planning may be more likely to alleviate challenges and be sustainable for long-term success. Rumisha (2023) stressed the use of technology to overcome business challenges and highlighted the transport business's failure.

This current study, therefore, aimed to assess the factors leading to the failure of the transport business in Tanzania, taking the case of the Njombe and Mbeya districts. Three research questions guided the study analysis.

i. What are the primary factors affecting the sustainability of transport businesses in Tanzania?
ii. How does financial management influence the sustainability of transport businesses?
iii. How does infrastructure support transport business sustainability?
iv. What is the role of the management team in promoting business sustainability?
v. What is the impact of regulatory challenges on the sustainability of transport businesses?

2.0 Materials and Methods

The study employed a quantitative research approach for data collection and analysis techniques. Quantitative research systematically investigates phenomena by gathering quantifiable data and performing statistical, mathematical, or computational techniques (Kothari, 2012; Johnson, Khamis, & Zawadi, 2022). The target population was 220 (LATRA), including owners and managers of transport businesses in the Njombe and Mbeya districts. The study population was obtained from LATRA, and a probability sampling technique was used to divide the total population into homogenous groups of the Njombe and Mbeya districts (stratum) to complete the sampling process. A stratified random sampling technique was used to select a sample of 140 respondents from different districts, as determined by Krejcie and Morgan's 1970 table of sample size determination. The respondents were picked equally from the list of transporters for each stratum.

The research was designed using descriptive research and survey research design. Descriptive study methods include case studies, surveys, and case reports, allowing in-depth analysis of specific cases or systems (Johnson, Khamis, & Zawadi, 2022). Data collection and analysis are essential aspects of descriptive studies, and the design and presentation of findings are also discussed. Descriptive research is often preferred for survey research because it generates answers in statistical form, making it easy for researchers to conduct a simple statistical analysis and interpret what the data means for decision-making.

Structured questionnaires were administered to collect financial resources, regulatory challenges, infrastructure, management practices, and business sustainability data. The questionnaire was adapted from previous studies, specifically the questionnaire used by Njiru and Nyamwage (2014). The collected data were analysed descriptively to summarise the basic features, such as the mean, median, and

standard deviation. Correlation analysis examined the relationships between the independent and dependent variables. Also, regression analysis was used to determine the impact of independent variables (financial resources, regulatory challenges, infrastructure, and management practices) on the dependent variable (business sustainability). Correlation analysis was used to determine the strength and direction of the relationship between variables. It's a powerful tool for understanding patterns and trends in data, identifying potential predictive relationships, and generating hypotheses for further research. Furthermore, the correlation technique allows researchers to identify a link that can be further investigated through more controlled research. Regression analysis determined the strength and character of the relationship between dependent and independent variables.

3.0 Results

3.1 Descriptive Results

3.1.1 Age of Respondents

The study wanted to know the age of respondents in the transport business. Findings show that between 25 and 35 years constitute (60) 54% of respondents, and (52) 19% are above 55, as depicted in Table 1. The results amplify the fact that the transport sector in the study area is dominated by younger ages, which is very promising for business success in the industry. These results imply that the potential workforce owns most of the transport business. The administrator of small and medium businesses needs to ensure that the group can achieve sustainability by implementing the small and medium business policy. These young entrepreneurs drive economic growth and address social challenges through innovative solutions (Chukwukadibia, Chikeleze, & Okwueze, 2024). Youth play a crucial role in a country's development by studying rigorously and learning new skills, and they can acquire favourable jobs and create new ideas for improved transport management. Starting businesses helps create more jobs and grow the economy, and youth play a crucial role in promoting social change (Lundvall, 2022). They are often at the forefront of movements advocating for political, social, and environmental reforms.

Table 1
Age of Respondents

Age category	Frequency	Percent (%)
Below 25	20	17.9
26-35	41	36.6
36-45	28	25.0
46-55	11	9.8
Above 55	12	9.8
Total	112	100

3.1.2 Gender of Respondents

The study wanted to know about gender inclusivity in the transportation business. This study found that (68) 61% were male and (44) 39% were female. The findings show that men still dominate the transport business compared to females. Despite the ongoing empowerment of women in business, the response rate in the transport sector remains low. The results are similar to a study by Tonya (2015), which indicated that female participation in the transport business is low compared to that of men. The increasing number of women entrepreneurs can promote economic and social equity, which facilitates individuals' self-fulfilment and improves the use of valuable human capital. Feminine traits and talents can be considered power sources that have significant advantages for entrepreneurship (UKEssay, 2018). Shortly, women may close the gender gap in venture capital. It is noted again that entrepreneurship is a means of earning money and contributing to family income for women without high professional qualifications and those from a lower economic sector (URT, 2021). There is a need to review the empowerment policy to evaluate its implications for including women's participation in business.

3.1.3 Education Level of Respondents and Ownership

The sustainability of a business depends on expertise and experience, as well as support from a qualified management team. Table 2 below shows that (41) 37% of the respondents were primary-level certificate holders, (35) 33% had secondary education, and (18) 16% had tertiary education.

Experience and expertise help avoid mistakes and build a successful business. With around (18) 16% of tertiary education, the business sector is worthy of learnt personnel joining business as entrepreneurs. Experience provides knowledge of what works and what doesn't, allowing you to apply your knowledge and skills practically. Punde, in a paper on the power of specialised expertise in modern business, noted that experience helps to develop critical skills like problem-solving and communication skills (Punde, 2024). Specific knowledge can be a significant differentiator. Expertise enables businesses to offer unique solutions, innovate in ways competitors cannot, and provide exceptional value to customers. This specialised expertise is often what separates leaders from followers in any industry.

Table 2
Education Level and Ownership

Level of Education	Frequency	Percent
Primary	42	37.5
Secondary	37	33.0
Tertiary	16	14.3
Total	95	84.8
Missing	17	15.2
Total	112	100.0

The study wanted to know the ownership status of the transport sector. The findings show that 48.2% of respondents identified as business owners, 37.5% as drivers, and 0.9% as managers of transport companies. The results indicate that owners manage most businesses and are the decision-makers in the transport business. The data aligns with the idea of entrepreneurship for small businesses, as the owner is the manager. This study implies that the employment of others in business is minimal, where the objective of entrepreneurship, among others, is to expand employment. Transportation is a vital enabler of several SDGs and contributes strongly to economic development, industry, SMEs, trade, and investment (Tonya, 2015; Pokharel, Bertolini, & Marco, 2023). Consequently, it also helps achieve the SDGs that aim to promote employment and well-being and reduce inequalities and exclusion.

3.1.4 Transport Business Experience

The study findings showed that 86 (77%) of respondents had less than 10 years of experience in the transport business. The result indicates that most transport businesses have less experience in the industry. When one has less experience, it might be challenging to predict sustainability. The findings align with Tonya's (2015) study on the succession and sustainability of transport businesses. The study indicated that most transport businesses collapsed within the first 10 years. This study shows that only 26 firms (23%) have progressed sustainably beyond the assumed 10 years of operation. Firms with transparent supply chains are committed to social responsibility, hence sustainable development. The study finding is linked to a study by Debuck (2023) on the ways to improve sustainability as a transportation company, which noted that there's a massive push for companies to be more sustainable. One survey found that 61% of Americans consider transport company sustainability an essential factor when purchasing (Debuck, 2023). Transport sustainability improves the quality of lives, and sustainability is associated with an organisation's holistic approach, considering everything from manufacturing to logistics to customer service.

3.1.5 Financial Resources Management and Transport Business Sustainability

The study aimed to assess how accessible financial resources are for managing transport businesses. The findings indicated that (88) 79% had difficulties accessing financial resources, and only (22) 2% agreed to have easy access to financial resources. The financial sustainability of a business is a vital element for assessing business growth and sustainability. Without financial information, owners would not know whether they are making a profit or a loss. Accurate records of a business's finances are also used to detect and prevent fraud. Such monitoring is done through internal control, which comes from a proper record of all business transactions. Ronald (2017) conducted a study that examined the correlation between the availability of financial resources, the success of new start-ups, and the sustainability of businesses. The study found that access to finance and legal regulations

was the most significant obstacle facing business growth and sustainability in the developing world (Ronald, 2027). It is also known that financial resources serve as a tool for monitoring the health and progress of a business and allowing business owners to identify any areas that need improvement.

In line with access to financial resources, the study noted that 45 (40%) of respondents experience difficulties accessing economic resources. The findings also indicated that (43) 38% don't have challenges in accessing finance, while (22) 20% were neutral. Ronald (2017), in a study of the relationship between the availability of financial resources and the success of a new start-up business, found that most new businesses use family and friends' loans to finance their business. The majority disagreed that there are government programmes that support start-up businesses. Support programmes are essential for small business development, as the transport sector needs enormous starting capital, and it is therefore crucial for stakeholders to help them. This study's finding aligns with a survey by Kamugisha and Mushi (2017), who emphasised the need to support the transport sector in response to the sector's contribution to economic development (Kamugisha & Mushi, 2017).

In business, financial management is the practice of handling a company's finances in a way that allows it to be successful and compliant with regulations. Financial management monitors, controls, protects, and reports a company's financial resources (Nchimbi & Nkuba, 2020). Companies hire accountants or finance teams responsible for managing their finances, including all bank transactions, loans, debts, investments, and other funding sources. The study wanted to know the use of financial practices towards transport business sustainability. The finding shows that, as depicted in Table 3, (16) 14% agreed to use financial practices like monitoring, controlling, and reporting financial resources. The finding also indicates that (58) 52% don't use financial practices in their transport business, while (37) 33% are neutral. The results imply that most transport businesses do not comply with financial standards for business management. Poor financial management can have serious consequences, including excessive debt and negative impacts on well-being. Encouraging financial literacy and providing support services to individuals and businesses can help them avoid these pitfalls and achieve greater financial stability.

The study also aimed to determine whether the transport businesses being examined faced challenges in locating other transport businesses. Adequate funding is essential for the operation of the transport business (UKEssay, 2018). The study found that 76.8% faced challenges due to inadequate financing, and 22.3% had no challenge in funding business. The availability of funds for transport businesses can significantly affect their financial lives. When funds are unavailable promptly, it can lead to missed payments, overdraft fees, and other economic difficulties.

Table 3
Financial Management Practices Effectiveness

	Frequency	Percent
Strongly disagree	3	2.7
Disagree	55	49.1
Neutral	37	33.0
Agree	14	12.5
Strongly Agree	2	1.8
Total	111	99.1
Missing	1	.9
Total	**112**	**100.0**

3.1.6 Regulatory Environment and Transport Business Sustainability

The Land Transport Regulatory Authority of Tanzania (LATRA) is a government agency responsible for regulating and overseeing land transportation in Tanzania. Several studies in Tanzania have shown logistical bottlenecks in the transportation sector, including infrastructure, government policies, border delays, and fuel prices. The country needs to adopt innovative solutions such as AI and comprehensive transportation strategies (Rumisha, 2023; Kakomile & Komba, 2024). The study's findings, as shown in Table 4, show that 63.4% of respondents were uncomfortable with the regulatory environment led by LATRA, 15.2% were happy with it, and 21.4% were neutral. Transportation businesses in Tanzania can streamline their transportation system, making

it more efficient and reducing the cost of doing business for transport system sustainability.

The study findings show that (58) 51.9% of respondents said the regulations and policies negatively impact business development, (39) 34.8% were happy with the regulatory system toward sustainability, and (16) 14.3% were neutral. The findings imply that the majority are not comfortable with the regulatory systems for the transportation business. LATRA faces criticism from members of the public, particularly transport operators, who argue that the agency's regulations are overly burdensome and that its licensing and permit fees are too high, causing some of the operators to suspend or limit their services within the country (Kiondo & Pelizzo, 2018). Several complaints about the regulatory body's policies and regulations are not favourable to the transportation sector.

Table 4
The Regulatory Environment for the Transport Business

	Frequency	Percent
Strongly disagree	8	7.1
Disagree	63	56.3
Neutral	24	21.4
Agree	14	12.5
Strongly Agree	3	2.7
Total	**112**	**100.0**

3.1.7 Transport Infrastructure and Sustainability

Well-developed transportation infrastructure enables businesses to access raw materials, deliver products to markets, and attract investments, bolstering economic growth. Infrastructure affects growth through several supply- and demand-side channels. Infrastructure is a critical component that supports a country's economy and society. A well-developed infrastructure includes basic support systems such as transportation, communication, power supply, and sanitation, which are essential for economic activity and societal well-being. The study wanted to know the respondents' views on the quality of transportation infrastructure concerning the potential growth and development of the sector. The study revealed that 104 (93%) of respondents face challenges in transport operations for profits, especially in village road quality. The results show that the transport infrastructure is not conducive to transport business. In the quest for sustainable growth and prosperity, rural economic developers face a unique set of challenges, the most prevalent of which is infrastructure deficits (Kamugisha & Mushi, 2017). Zhang and Cheing's (2023) investigation of the role of transport infrastructure in economic development had the opinion that deficits in the quality of roads not only stifle economic potential but also hinder the quality of life in rural communities (Zhang & Cheing, 2023). The study noted that in the short run, the effect of the transport sector turns out to be significantly negative. For transport growth and sustainability, there is a need to strengthen the infrastructure and maintenance for best results.

The study further found that 69% of respondents showed that the deficits in transport areas are multifaceted, often rooted in rural regions' geographical massiveness and lower population densities. The result makes the cost-per-use of infrastructure development significantly higher than in urban areas, frequently leading to underinvestment. Overcoming these infrastructure deficits requires a multifaceted approach, combining innovative financing, strategic partnerships, and leveraging technology to maximise impact (Vlahinić, Pavlić Skender, & Mirković, 2019; Zhang & Cheing, 2023).

3.1.8 Transport Business Management for Sustainability

Transportation planning provides integrated solutions by balancing policy, investments, technology, and land use. The aim of team experience and qualifications is feasible for supporting long-term growth and strategic accessibility. A successful transport planning team analyses community needs, travel patterns, and demographics before developing plans (Lundvall, 2022). An effective transportation management team is key for a company's whole management for growth. The study wanted to establish a management team to develop transport management skills and experience. The findings

show that 85 (75%) of respondents confessed to not having a management team with the skills and qualifications to manage the transport business. However, (7) 3% agreed to have the proper management team, and (12) 11% were neutral. According to the importance of a qualified management team in transport management, there is no way to forecast growth if no management team has skills and experience. Table 5 shows the challenges that transport management faces during operation, with few teams with skills and experience that are important for the growth of the transport business.

Table 5
Management Team and Necessary Skills and Experience

	Frequency	Percent
Strongly disagree	21	18.8
Disagree	74	66.1
Neutral	12	10.7
Agree	3	2.7
Strongly Agree	1	.9
Total	111	99.1
Missing	1	.9
Total	**112**	**100.0**

Despite the fact that 86% of the respondents admitted to lacking the necessary skills and experience in the transport business, the results remain consistent. The findings show that (83) 73.9% of respondents employ management without proper qualifications and skills, (7) 6% indicated they employ personnel with the best management practices, and (22) 20% were neutral. The results correspond to a study by Keating, Nicholas, Polesel, & Watson (2005) in a report to the National Vocational and Education, which noted that qualifications provide employers with a standard measure of abilities and ensure competence to perform the tasks required of the company. Employees with experience may also have transferable skills or soft skills that develop through practice, such as communication, leading teams, training other employees, or properly transporting business, which leads to sustainable business. The results indicate that 87 (78%) of respondents agreed that the possibility of growth and sustainability is challenging because of improper management skills and competence.

3.1.9 Transport Business Sustainability

Sustainable transportation, also known as "green transportation," is a business practice that aims to reduce the environmental impacts of transportation and vehicles. Sustainability means meeting one's own needs without compromising the ability of future generations to meet their own. Several studies have shown challenges in transport business sustainability in Tanzania. Tonya (2020), in a conference presentation, noted the challenge of taxicab sustainability and said the life of taxicabs is mostly less than ten years. In a study of factors influencing road sustainability, studies indicate that road infrastructure has been one of the factors for the sustainability of transport services for a long time. (Moses, Kitalima, Lushohola, Majami, & Muya, 2024; Matimbwa and Mng'ong'o, 2024). The findings of this study indicated that (57) 51% of respondents were not sure about the transport business sustainability; (40) 36% agreed that they are sure about the transport business sustainability for future services. Table 6. However, (9) 8.1% disagreed that sustainability is clear for future services. The results imply that the sustainability of the transport business is not favourable, as supported by previous studies (Tonya, 2020; Moses *et al.,* 2024).

The respondents were supposed to evaluate the transport business's environment to favour its long-term survival. Findings show that (60) 50% believed the transport business environment was unfavourable for business sustainability, and (50) 45% were neutral. This result corresponds with the sustainability of the transport business. Table 6 shows that the operational sustainability of transport is not evident. The findings relate to a study by Rumisha (2023) on overcoming Tanzania's transport challenges, which noted that the environment for the transport business in Tanzania is not conducive and recommended using AI-driven solutions and developing comprehensive strategies. (Rumisha, 2023). The results imply that regulations and taxation must be improved to support the sustainability of the transport business. The

argument was also supported by Kamugisha and Mushi (2017) and Moses *et al.* (2024): the business environment needs a regulation system that favours business sustainability.

Table 6
Transport Business Sustainability

	Frequency	Percent
Strongly disagree	3	2.7
Disagree	6	5.4
Neutral	58	51.8
Agree	36	32.1
Strongly Agree	9	4.5
Total	**108**	**100**

3.2 Correlation Analysis: Predictor Transport Sustainability

This study tested the regression analysis between independent and dependent variables to measure the possible significance. The p-value in a regression model measures the strength of evidence against the null hypothesis, indicating whether the observed data could occur by chance. A low p-value (<0.05) suggests the coefficient is statistically significant, implying a meaningful association between the variable and the response. Statistics, as shown in Table 7, indicated that education level scored a p-value of 0.472, more significant than 0.05; the result suggests that education level does not influence transport business sustainability. Other variables such as financial resources accessibility (0.0024), financial management practices (0.001), regulatory environment (0.000), transport infrastructure quality (0.0004), management team skills and experience (0.000), and management practices (0.000) also show statistical significance. The variables have a p-value less than 0.05, typically statistically significant, in which case the null hypothesis is rejected. A p-value greater than 0.05 means that deviation from the null hypothesis is statistically insignificant, and the null hypothesis is accepted. A level of significance of p=0.05 means that there is a 95% probability that the results found in the study result from an actual relationship/difference between variables compared. It also means that there is a 5% chance that the results were found by chance alone and no genuine relationship exists between the tested variables. Therefore, the statistics implied that all variables except education level are significantly related to the sustainability of the transport business. The study accepted the null hypothesis for the education variables with a p-value greater than 0.05, and there is not enough evidence to support the alternative hypothesis. The correlation analysis in Table 7 is in Appendix I.

3.3 The Model Fit of the Data in the Transport Business

The study wanted to know the model fit of the respondents' data from the transport business. In some fields, such as the social sciences, even a relatively low R-squared value, such as 0.5, could be considered relatively strong. In other fields, the standards for a satisfactory R-squared reading can be much higher, such as 0.9 or above. The R-squared for this study was 0.152 (Table 8), showing a relatively positive but not strong correlation between the independent and dependent variables. A positive coefficient indicates that as the independent variable's value increases, the dependent variable's mean also tends to increase. A negative coefficient suggests that the dependent variable decreases as the independent variable increases. Therefore, in this case, the coefficient is positive, indicating increased chances of dependence on the independent variables.

Table 8
Model Summary

Model	R	R Square	Adjusted R Square	Std Error of Estimate
1	.389[a]	.152	-.045	1.238

4.0 Conclusion and Recommendations

4.1 Conclusion

This study highlights the critical challenges transport businesses face in Tanzania, including financial constraints, regulatory hurdles, infrastructure deficits, and inadequate management practices. The findings underscore the role of access to economic resources, quality infrastructure, and skilled management teams in determining business sustainability. Poor financial management practices and limited access to funding were identified as significant impediments, while regulatory

complexities further exacerbate operational challenges. Infrastructure, particularly in rural areas, was a significant barrier to profitability and long-term sustainability. Despite these challenges, the study emphasises the potential of the transport sector to contribute significantly to Tanzania's economic growth if these issues are addressed effectively. Therefore, the emphasis on transport continuity, development, and sustainability should be the focal point for supporting the sector.

4.2 Recommendations

4.2.1 Improve Access to Financial Resources

The Government of Tanzania should establish dedicated funds for transport businesses, similar to SME development schemes, offering low-interest loans and grants to support business growth. These programmes should target young entrepreneurs and underserved groups, including women and rural business owners. Collaborate with banks and microfinance institutions to design loan packages tailored to the capital-intensive nature of transport businesses. These packages should include flexible repayment terms and financial literacy support. Furthermore, it encourages venture capitalists and private investors to support transport businesses through tax reliefs and risk-sharing arrangements.

4.2.2 Streamline Regulatory Policies

Simplification of licensing processes by digitalising the licensing and permit issuance systems to reduce delays and bureaucratic inefficiencies, ensuring faster and more transparent processes. Introduce tax incentives, such as reduced VAT or import duties, on transport equipment and vehicles to lower operational expenses. In addition, ensure consistency and predictability in regulatory policies to build investor confidence in the transport sector.

4.2.3 Invest in Infrastructure Development

Allocate more resources to developing and maintaining rural roads, ensuring year-round passenger and freight transport access. Public-private partnerships (PPPs) could facilitate the construction and maintenance of these networks. Leverage technologies like geographical information systems (GIS) for infrastructure planning, prioritising areas with the highest transport demands.

4.2.4 Enhance Management Capacity

The government organises workshops and certification programs focussing on business strategy, financial management, and regulatory compliance for transport business owners, and it creates platforms where experienced transport professionals can mentor emerging entrepreneurs, fostering knowledge sharing and collaboration. Encourage businesses to adopt software for fleet management, route optimisation, and customer relationship management (CRM) to improve efficiency and decision-making.

4.2.5 Promote Inclusivity in the Transport Sector

Empowering Women Entrepreneurs initiatives to increase women's participation in the transport sector include gender-focused financial programs and mentorship opportunities. Introduce incubator programs for young entrepreneurs to test and scale innovative transportation solutions. And provide targeted training and resources to individuals in underserved regions, enabling them to participate actively in the transport economy.

4.2.6 Expand Funding Channels

The government must attract private investors to co-finance large-scale transport projects, offer attractive returns and long-term contracts, and leverage funding from international organisations like the World Bank or the African Development Bank for critical infrastructure development.

These expanded recommendations address a broader spectrum of challenges, offering immediate and long-term strategies to enhance the sustainability and growth of transport businesses in Tanzania.

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6.0 Declaration of Conflict of Interest

The authors declare that they had no potential conflict of interest concerning this article's study, authorship, and publication.

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APPENDIX I: Correlation Analysis

Table 7

Correlation Analysis: Predictor Transport sustainability

Category	Level	Financial management	Regulatory environment	management team skills	Management practices	Sustainability
Education Level	Pearson Correlation	-.104	.118	-.143	-.046	.075
	Sig. (2-tailed)	.323	.258	.168	.658	.472
Access to financial resources	Pearson Correlation	1	.210*	.093	-.106	.216*
	Sig. (2-tailed)		.027	.334	.275	.024
Financial management practices	Pearson Correlation	.210*	1	.001	-.140	.324**
	Sig. (2-tailed)	.027		.991	.144	.001
Regulatory environment	Pearson Correlation	.523**	.280**	.219*	.004	.354**
	Sig. (2-tailed)	.000	.003	.021	.967	.000
The quality of transport infrastructure	Pearson Correlation	.274**	-.052	-.071	-.265**	.268**
	Sig. (2-tailed)	.004	.586	.456	.005	.004
The management team has skills	Sig. (2-tailed)	.000	.066	.378	.734	.000
	Pearson Correlation	.300**	.133	.050	-.060	.708**
Management practices	Sig. (2-tailed)	.002	.166	.601	.532	.000
	Pearson Correlation	.216*	.324**	.127	-.060	1
Business sustainability	Sig. (2-tailed)	.171	.952	.031	.208	.021