

***FACTORS AFFECTING PERFORMANCE OF MICRO AND
SMALL ENTERPRISES: THE CASE OF LIMU SEKA WOREDA***

A Thesis Submitted to the School of Graduate Studies of Jimma University
Partial Fulfillment of the Award of the Degree of master's in business
administration (MBA)

BY: ABDURAZAK HAJIMOHAMMED A/SIMEL



JIMMA UNIVERSITY
COLLEGE OF BUSINESS & ECONOMICS
MBA PROGRAM

AUGUST, 2020
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Under the guidance of

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CERTIFICATE

This is to certify that the thesis entitles "Factors affecting performance of micro and small enterprises: The case of Limu Seka woreda, submitted to Jimma University for the award of the Degree of Master of Business Administration (MBA) and is a record of bonafide research work carried out by Mr. Abdurazak Hajimohammed, under our guidance and supervision.

Therefore, we hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree or diploma.

Main Adviser's Name

Signature

Date

Co-advisor's Name

Signature

Date

DECLARATION

I hereby declare that this thesis entitled with factors affecting the performance of micro and small enterprises. A study on selected Micro and Small Enterprises (MSEs) in Limu Seka Woreda is the outcome of my own effort and I have produced it independently and with the guidance and suggestion of my advisor Ass. Professor Emnet Negash and Co-advisor Mr. Mohammed Yassin (MBA). The thesis is original has not been submitted for any degree in this University or any other Universities.

Researcher's Name

Date

Signature

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Abstract

This study examined factors affecting performance of micro and small enterprises: The case of Limu Seka woreda. In this study, data were collected from both from primary and secondary sources. Primary data were collected by multistage sampling methods selected from 187 owner/manager and woreda officials and experts of MSEs by using close ended questionnaire and interview. A multi linear regression model and different types of statistical methods including descriptive statistics like mean and standard deviation of the respondents, and inferential statistics was used to understand the relationship between each study variables and to analyze factors that affects performance of MSEs. A total of six explanatory variables were included in the regression. All of the six variables were found to significantly affect performance of MSEs. The multi linear regression result showed that the variables hypothesized to affect performance of MSEs were; job attitude factors, management related factors, financial factors, technological factors, infrastructure factors and market linkage factors have statistically significant effect on performance of MSEs. Therefore to improve the performance of MSEs, Key Performance Indicator (KPI) performance measurement techniques and new improvements should be introduced in MSEs policy and strategy evaluation matrix and way of business achievement to increase MSEs efficiency and effectiveness. In addition the Industry and Enterprise development office in collaboration with TVET office and Micro finance institutions should endeavor for the MSEs to have better attitude for their job and devote more in working with technical and vocational education training to solve skill gaps of MSEs' owners/managers as well as financial problems of the MSEs and the regional and woreda government should pay attention to the improvement of technology and infrastructures.

Key words: Job attitude, management, access to finance, technology, infrastructure, market linkage and Performance.

Table of Contents

Content	Page
ACKNOWLEDGMENTS	I
Abstract	II
Table of Contents	III
List of Tables	VI
LIST OF FIGURES	VIII
ABBREVIATIONS/ACRONYMS	IX
CHAPTER ONE	1
1. INTRODUCTION	1
1.1 Background of the Study	1
1.2. Statement of the Problem	4
1.3. Objectives of the Study	6
1.3.1 General Objective	6
1.3.2 Specific objectives	6
1.4 Hypotheses of the study	6
1.5. Significance of the Study	7
1.6 Scope of the Study	7
1.7 Limitations of the Study	8
1.8 Organization of the Study	8
CHAPTER TWO	10
REVIEW OF RELATED LITERATURE	10
2.1 Theoretical literature	10
2.1.1 General overview	10
2.1.2. The Definition of Micro and Small Enterprises (MSEs)	11
2.1.3 Definition of Performance and Its Measurements	12
2.1.4. Contribution of Micro and Small Enterprises (MSEs)	16
2.1.5. Theoretical Background on Micro and Small Enterprises	17
2.1.6. National Strategy for the Development of MSEs	17
2.1.7. Empirical Study on Factors Affecting Performance of MSEs	19

2.1.8 Conclusion and Knowledge Gap Emerged from Earlier Literature	23
2.1.9 Factors Affecting Performance MSEs	26
2.1.10. Conceptual Framework.....	32
CHAPTER THREE	34
RESEARCH DESIGN AND METHOD	34
3.1 Description of Study Area.....	34
3.2 Research Design.....	36
3.3. Types and Sources of Data.....	36
3.3.1. Primary data.....	36
3.3.2. Secondary data.....	36
3.4 Population of the Study.....	36
3.5. Sample Design	37
3.5.1. Sample Size Determination	37
3.5.2. Sampling Technique	38
3.6. Methods of Data Collection	39
3.7. Data Collection Procedures.....	39
3.8. Methods of Data Analysis.....	40
3.9 Model Specifications.....	41
3.10. Validity and Reliability Test	42
3.10.1. Validity Test	42
3.10.2. Reliability Test.....	43
3.11. Ethical Considerations	44
CHAPTER FOUR	46
4. DATA ANALYSIS AND PRESENTATION	46
4.1 Response Rate	46
4.2. The Demographic Characteristics of the Respondents	46
4.3 Characteristics of Enterprises.....	50
4.4 The Factors Affecting Performance of MSEs.....	54
4.4.1 Results of Measures of Descriptive Statistics.....	56
4.5 Inferential statistics	74
4.5.1 The Relationship between Independent variables and MSEs Performance	75

4.5.2. Multiple Linear Regression Analysis	78
4.5.3. Effect of Factors Affecting Performance of MSEs.....	81
4.5.4. Coefficients of Regression Analysis.....	83
4.5.5. Analysis of Variance (ANOVA)	86
4.5.6. Hypothesis Testing and Discussion	87
4.6. Qualitative Analysis: Interview Results.....	92
4.7 Discussions of Interview Results	95
CHAPTER FIVE	97
SUMMARY, CONCLUSION, AND RECOMMENDATIONS.....	97
5.1. Summary of Findings.....	97
5.2. Conclusion	99
5.3. Recommendations	100
5.4 Suggestions for further research	104
<i>REFERENCES</i>	105
Appendix I	I
Appendix II	IV
Appendix III	XII
Appendix IV.....	XIV
Appendix V	XV
Appendix VI	XVII
Appendix IV.....	XXVI
Appendix VII	XXVII
Appendix: VIII.....	XXIX

List of Tables

Table 2.1: The 1997 Definition of Micro and Small Enterprises in Ethiopia	12
Table 2.2: The Revised Definition of Micro and Small Enterprise	12
Table 2.3: Summary of empirical reviews	23
Table 3.1: Total population of Micro and small Enterprises	37
Table 3.2: Sample size in enterprises sectors	38
Table 3.3: Model specification of variables	42
Table 3.4: Measure of internal Consistency-Cronbach's alpha	44
Table 4.1: Demographic characteristics of respondents.....	47
Table 4.2: Respondent reasons for starting the business	50
Table 4.3: Form of business	51
Table 4.4: The sector of the enterprise.....	51
Table 4.5: The number of employees of enterprise.....	52
Table 4.6: The source of capital to start your business	52
Table 4.7: Five Scaled Likert Criterion	56
Table 4.8: Respondents' perception towards job attitude.....	56
Table 4.9: Respondent's perception towards management	59
Table 4.10: Respondent's perception towards access to finance	62
Table 4.11: Respondent's perception towards Technology.....	65
Table 4.12: Respondent's perception towards Infrastructure.....	67
Table 4.13: Respondent's perception towards market linkage.....	69
Table 4.14: Respondent's perception towards performance of MSEs	72
Table 4.15: Rule of Thumb for Interpreting the Size of a Correlation Coefficient	75
Table 4.16: Results showing correlation analysis.....	76
Table 4.17: Results of Multicollinearity test.....	79

Table 4.18: Durbin-Watson Statistics for Independence of Residuals.....81
Table 4.19: Results showing regression analysis82
Table 4.20: Results showing coefficient of regression analysis83
Table 4.21: Results showing analysis of Variance (ANOVA) of Regression Analysis86
Table 4.22: Coefficient and P-value of the independent Variables88
Table 4.23: Summary of hypothesis test result.....91

LIST OF FIGURES

Figure 2.1: Types of Enterprises Growth Stage	19
Figure 2.2: Sequential analysis of technology	31
Figure 3.1: Map of Limu Seka woreda	35
Figure 4.1: Educational Level of Respondents.....	49
Figure 4.2: Respondents Marital Status.....	49
Figure 4.3: Annual income of Respondents	53
Figure 4.4: Total Assets of Respondents	54
Figure 4.5: Regression analysis of MSEs	86

ABBREVIATIONS/ACRONYMS

CSA = Central Statistical Authority

EC = Ethiopian Calendar

ETB = Ethiopian Birr

EU = European Union

FDRE = Federal Democratic Republic of Ethiopia

GDP = Gross Domestic Product

Fe MSED A = Federal Micro and Small Enterprises Development Agency

FGD = Focus Group Discussion

GTP –I = Growth and Transformation Plans I

GTP –II = Growth and Transformation Plans II

HLCLEP = High Level Commission on Legal Empowerment of the Poor

ICTs= Information and Communication Technologies

ILO = International Labor Organization

KPI = Key Performance Indicator

MFIs = Micro Finance Institutions

MoTI = Ministry of Trade and Industry

MoUDH = Ministry of Urban and Development House

MSE = Micro and Small Enterprises

ROA = Return on asset

ROE = Return on equity

ROI = Return on investment

SPSS = Statistical Packages for Social

CHAPTER ONE

1. INTRODUCTION

This chapter provides brief background about MSEs that leads the reader to understand, background of the study, research questions, objectives of the study, significance of the study, scope of the study, limitation of the study, key terminology as well organization of the paper are presented respectively.

1.1 Background of the Study

The micro and small enterprises (MSEs) are believed to be the engine part for the development and growth of any economy in the world. The development of this sector is important to bring about economic growth through its forward and backward linkage, which in turn enhances the growth of other sectors in the economy (Bultum, 2017). Similarly, Small business enterprises play an important role in today's world economy, and they are recognized as one of the contributors of economy in all European countries provided sixty six percent of the employment in Europe (El-Gohary, 2010). This type of business can be easily found in all countries in the world and have limited financial resources as well as limited infrastructure (Jones & Cravenm, 2000 as cited in Heslina, and others, 2016).

Micro and small enterprises have been present in many countries of the world such as India, South Korea, Malaysia, Zambia, and other countries have been enabled for sustainable economic development and increase in per capital income and output, creates employment opportunities, enhance regional economic balance through industrial dispersal, encourage the development of indigenous entrepreneurship, and promote effective resource utilization that are considered to be critical in the area of economic growth and development (Oppong and others, 2014).

Similarly, highly-industrialized countries like Japan, China, and Taiwan have based their industrial development on MSEs in which they are now a role model for developing countries to utilize their domestic resources, unemployed labor and domestic technologies. MSEs are one of the means by which people become self-employed or entrepreneurs. Entrepreneurs are pragmatic, innovative, visionary, risk takers, and capable of transforming their ideas into economic opportunities (Mulu, 2017).

In Africa micro and small enterprises play an important role in the economy of many countries. MSEs accounts for more than ninety percent of businesses and contribute over fifty percent of new jobs. In Kenya, it creates job for 3.2 million Kenyans and eighty percent of the workforce and In Nigeria created seventy percent of industrial job opportunities and ninety five percent of manufacturing sectors while in Ghana MSE account seventy percent of all businesses and employed seventy percent of the total workforce. The sector also covered ninety seven percent of businesses and eighteen percent of workforce in Zambia (Muiruri, 2017).

South Africa also one of the countries gives emphasis to the MSE sector for economic growth and development and provides a great deal of opportunities to the unemployed (Ayansola and Jennifer,2017). The Micro and Small Enterprises (MSEs) sector plays an important role in income and employment generation as well as poverty alleviation. In addition to this, it has a vital role in economic development and provides the economy with efficiency, innovation, competition and employment in Kenya (Rotich and others , 2014).

In developing countries micro and small enterprises are driving forces for poverty reduction, job creation and economic growth. Ethiopia is countries which have taken measures and shines the operation of MSEs. However, there are MSE's in the country that have shown low performance and couldn't graduate from the first level of enterprise to the next (Drbie and Kassahun, 2013).

Now a day the number of Ethiopian population is increasing from time to time. Without the economic change in productivity the gap between poor and rich are become wider and wider. The emergences of MSEs have highly contributed to the local economic development and growth of the countries, employment creation, Productivity. As a result of this, the government bodies in all levels have long recognized the need to promote the development of MSEs in order to reduce the level of poverty and income inequality (Bultum, 2017).

In developed and developing countries urbanization is expanding more rapidly and has become a development agenda. In Ethiopia, growth rate of urbanization exceeds national population growth rate which indicates high rural urban migrations. As a result, agriculture failed to feed and sustain development in rural and urban populations, poor technology, lack of capital accumulation, and unfavorable climatic condition. In Ethiopia 85% of population depends on small-holder agriculture and hand to mouth farming. In addition, thousands of students graduating from universities and colleges have joined urban and small urban areas, to search for

jobs. Therefore, Ethiopia needs different policy alternatives to address rapidly increasing job-seeking population (Ayele, 2018).

In Ethiopia micro and small enterprises development has get strategic place in industrial development of the country. Today MSEs are the key instruments of job creation in urban centers and in all parts. However, their effectiveness depends on the nature, performance, and productivity level of employment and available resource (MoUDH, 2016).

The major objectives of micro and small enterprises development program are to create a broad-based development of industries and private sector, create employment opportunities and to reduce poverty. The more emphasis given to this sector is because of their contribution by producing goods and services that enable to be competitive in the domestic market and then gradually in the international market. MSE also ensures a rapid technological transfer and expand to the whole country (FDRE, 2013).

However MSEs is important for national economy, their performance have been affected by different factors. So far, a number of studies have been conducted to identify factors attributed for poor performance of Micro and small and enterprises. The study conducted by (Abdissa & Fitwi ,2016) attempted to examine the internal and external factors that affect the performance of MSEs and described the characteristics of small enterprises operating in the study area and to recommended possible solution to alleviate problems of MSEs. According to their findings most of the MSEs operators did not have enough working premises and have no efficient experience and management knowhow to perform their activities effectively and efficiently as a result they were unsuccessful because they run their business activities without having adequate knowledge about the business environment. A study conducted by (Guye, 2018) on the assessment of the factors affecting the performance of micro and small scale enterprise, the findings show that the performance of micro and small-scale enterprises was affected by age, sex, family size, access to business information, access to infrastructure, access to financial service, and access to managerial skills. In addition to this a research conducted by (Robleh, 2017) concluded that factors that affect performance of MSEs are access to business location, access to finance, education of manager and the government policy and regulations affect the performance of the business to a great extent through taxation, licenses, through creation of support funds and through liberalization of the economy. Accordingly, several factors affecting the performance of

MSEs have been identified in Ethiopia evidenced by different studies. According to the reviewed literatures, the major ones are financial problems, working space problems, marketing problems, bureaucracy, skill gap, infrastructure and input supply problem (Tariku, 2018).

The government of Ethiopia introduced the first Micro and Small Enterprises Development Strategy in 1997. To this end, this study play a great role to examine the factors affecting performance of Micro and Small Enterprises in Limu Seka Woreda.

1.2. Statement of the Problem

MSEs are privately owned and managed by individuals, groups, or enterprises that require a support from the Government or other external sources. The government has responsibilities of the facilitation and adjustment of the startup and working capital sources, working premises, raw material supply, managerial and technical skill training, market linkage creation and management support for MSE's. Thus, it requires continuous efforts and integration between enterprise owners and in all levels government officials. However, there are various factors which affect long term survival and business performance of MSE due to lack of financial resources, management experience, poor location, poor infrastructure, low demand for products or services, corruption and shortage of raw materials (Drbie and Kassahun, 2013).

MSEs are accepted and becoming important in terms of employment, wealth creation, and the development of innovation. However, there are problems of quality of management and particular weaknesses in innovation, a lack of financial, marketing, entrepreneurial failure, practical knowledge, and human resource management in this sector (Kagnew and others, 2018).

Micro and small enterprises face many obstacles that hinder their long-term survival and development that reduces the performance of the enterprises (Gelgelu, 2018). In South Africa, the problems of the unsatisfactory success rate of MSEs are failing; from seven MSEs five of them are failing within 1 year of operation (Rungani & Potgieter, 2018).

In Ethiopia, a number of MSEs every month get license from government office and start activity, and some of them grow and turn to medium enterprises, others destination is not well investigated. Therefore, there is need for efforts in examining the factors affecting the performance of MSEs (Seyoum and others, 2016).

Various empirical findings about the factors that affect the performance of the business consequently becomes a very important issue to be studied in broad and in depth ways. Growth in the number of MSEs in general and the creative economic sector which is not complemented by the growth in the quality of business performance will actually become a problem to the success of MSEs. MSEs business performance is highly dependent on the quality of enterprises in order to become an innovator and creative. (Schumpeter, 1951 as cited in Heslina, and others, 2016).

Furthermore, there are numerous research have been conducted internationally and nationally reviewing factors affecting performance of micro and small enterprises. These are in Indonesia (Anggadawita and Yuuha, 2013), in Borno state, Nigeria (Alfa & Usman, 2019), in Cairo, Egypt (Ahmed, 2013, in Tanzania (Danga and others , 2019) and in Ethiopia in different town, North Shewa Zone(Kagnev and others, 2018), Wolkite town (Guye, 2018), Addis Ababa (Abera, 2012), Bench Maji, Sheka, and Kefa Zones (Abdissa & Fitwi, (2016)), Wolita Sodo town, (Alemayehu, 2019), North Shoa Zone, Fitcha town (Dadi, 2020) and Raya Azebo (Meresa, 2018) respectively. Furthermore, previous studies conducted in Ethiopia focused on the cities, sub cities of Addis Ababa – Ethiopia and zonal level and also focused on Small and Medium enterprises. The other major gap identified by the researcher is the previous studies were associated with financial problems and focused on factors that affects micro and small enterprises not focused on variables such as job attitude, market linkage and performance measurements of MSEs. In addition, there is scarcity of literature touching about the rural and Micro and Small enterprises (MSEs). According to this study, the observed gap by the researcher, the research is expected to provide its own contribution by having conceptual and empirical evidence on factors affecting performance of MSEs.

Limu Seka woreda is endowed with sufficient natural resource. MSEs make creative use of resources and improved the efficiency of local and domestic markets, thus facilitating long-term economic development. MSEs also appear to have advantages over other largescale competitors in that they are able to adapt more easily to market conditions and utilize the ample resources. The sector has the potential to contribute towards creating employment opportunities and reducing poverty. However, even if full resource is available in the area they have not performed well and hence have not played the expected vital role in the economic growth and

development of the country. This situation has been of great concern to the government, community, operators, practitioners and the organized private sector groups. Therefore, the basis for this study is that the government formulated some policies, and established many institutions to promote the smooth functioning of MSEs. However, the sector is not performing up to the expectations of many stakeholders as it has been suffering from several problems. Therefore, the study aims at identifying the impact of the various problems on the performance of MSEs in Limu Seka woreda. These problems motivated the researcher to undertake the research on the factors that affects performance of MSEs to address the observed problems. The factors affecting performance of micro and small enterprises: the case of Limu Seka woreda which were identified and studied in this study were job attitude factor, management related factor, access to finance factor, technological factor, infrastructure factor and market linkage factors.

1.3. Objectives of the Study

1.3.1 General Objective

The general objective of the study is to identify factors affecting the performance of micro and small enterprises in Limu Seka woreda.

1.3.2 Specific objectives

1. To examine effect of job attitude on performance of MSEs in Limu Seka woreda.
2. To examine effect of management on performance of MSEs in Limu Seka woreda.
3. To examine impact of access to finance on the performance of MSEs in Limu Seka woreda.
4. To investigate effect of technology on performance of MSEs in Limu Seka woreda.
5. To analyze impact of infrastructure on the performance of MSEs in Limu Seka woreda.
6. To examine effect of market linkage on performance of MSEs in Limu Seka woreda.

1.4 Hypotheses of the study

A research hypothesis is a predictive statement, capable of being tested by scientific methods, that relates independent variables to some dependent variable (Kothari, 2004). It is a statement about the relationship between the dependent and the independent variables to be studied. Traditionally, the null hypothesis is assumed to be correct, until research demonstrates that the null hypothesis is incorrect (Mathers and others, 2007).

The development of the research model is based on the theoretical framework mentioned in the literature review, thus the following hypotheses are set for the study under consideration:

Ho1: Job attitude has **no** significant effect on performance of MSEs.

Ho2: Managerial knowledge has **no** significant effect on Performance of MSEs.

Ho3: Access to finance has **no** significant effect on Performance of MSEs.

Ho4: Technological access and skills has **no** significant impact on Performance MSEs.

Ho5: Infrastructure distribution has **no** significant impact on Performance of MSEs.

Ho6: Access to market linkage has **no** significant effect on Performance of MSEs.

1.5. Significance of the Study

The study findings are expected to be of great significance to a host of interested party ranging from the academic line to those practicing but more importantly the management of MSEs and governmental organizations that might be faced with decisions relating to performance of MSEs. The study highlight potential areas for future research. It provides a rational explanation to the basic but more detailed understanding of factors affecting performance of MSEs.

The study give detail insight about factors affecting performance of MSEs practices, it will help also to manage horizontal as well as vertical MSEs in a proper way, and finally it gives the members of the MSEs full awareness about factors affecting the MSEs performance.

To policy makers: The findings and the results of this study provided helpful insights and more reliable guide to regional policy makers to improve MSEs business performance practices.

To scholars interested to further inquire on the subject and to educational institutions: Other researchers who have an interest in the area may use this paper to fill the gap that they may observe. That means, they could use this paper to investigate further issue in the subject area or to investigate facts to establish, or further revise a theory. Researchers may again adopt this research outcome to build a plan of action based on the facts discovered. In general, the research potentially serves as a stepping stone for further research in the area.

1.6 Scope of the Study

The scope of the study contains four different dimensions. The dimensions include conceptual scope, time scope, geographical scope, and methodological scope.

This research emphasizes on the factors affecting MSEs performance. However, there are numerous factors that affect MSEs performance the study investigated job attitude factor, management factor, access to finance factor, technological factor, infrastructure factor and market linkage factors. The study is restricted to Limu Seka woreda, on selected MSEs based on their business sectors. On the other hand, the study has taken place, as per the schedule set by the school of Business and Economics beginning from February, 2019 up to August, 2020. Finally, this research limited itself on quantitative and qualitative (casual relational) approach, furthermore to analyze the data descriptive statistics, Pearson correlation and multiple linear regression (inferential statistics) were applied.

1.7 Limitations of the Study

The researcher faced a number of challenges at the time of data collection and in the process of the study. These are: financial constraints as much money may be required to meet the cost of transportation and stationery. The researcher also had insufficiency of time constraints to investigate containing all MSEs performance factors and another economic activities of MSEs. Accordingly, the pandemic Corona viruses / COVID-19/ was another drawback of the study and it was difficult to travel from one kebeles to the others because of transportation service and there were some respondents who refused to cooperate and fill the provided questionnaires.

In order to overcome those challenges, the researcher search for financial support from voluntaries and financial institutions including writing materials used in the study. In addition the researcher organized all the situations of the study and used time management and presenting himself well at the area of study. Generally concerning the drawback of Coronaviruses, the researcher used protectors from touching the provided questionnaires and works with data collectors and MSEs owner/manager by convincing them to fill the questionnaires as needed.

1.8 Organization of the Study

The study will be organized in to five chapters. The first chapter explains the research background, statement of the problem, objective of the study, hypothesis, and significance of the study, scope of the study, limitation of the study and organization of the study. The deals with the review of literature. The literature survey includes theoretical and empirical studies as well as the conceptual framework. All theories tending to support this study are incorporated in the review of literature. The third deals with research design and methodology, specifically, it

incorporates; data types, sources of data, the study population, sampling design, methods of data collection, data collection procedures, methods of data analysis, validity and reliability of the survey instrument & ethical consideration. While chapter four has empirically analyzed the collected data in order to arrive at the findings which are inferred or generalized to the entire population. Data were analyzed to find out relationships or differences between variables and the last chapter presents summary of the study, major findings, recommendations and suggestions of the future research.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter mainly incorporates the theoretical reviews of different literatures on the definition of micro and small enterprises (MSE), performance and contribution of micro and small enterprises (MSE), definition of performance management and its measurements, theoretical background on micro and small enterprises, arguments on MSE, national strategy for the development of MSE, government support and growth stages of enterprises, factors affecting performance MSE; Job attitude factor, management factor, access to finance factor, technological factor, infrastructure factor and market linkage factors, empirical study on factors affecting performance of MSE and conclusion and knowledge gap emerged from earlier literature is presented.

2.1 Theoretical literature

2.1.1 General overview

Nowadays, in this period of globalization of world trade, an increasing role is being assigned to the private sector in many developing countries. In parallel to, and as part of this shift, there has been the emergence of the micro and small-scale enterprise (MSE) sector as a significant component in economic development and employment. In many countries this sector – with both its informal and formal components – has increasingly been seen as a means of generating meaningful and sustainable employment opportunities, particularly for those at the margins of the economy: women, the poor and people with disabilities (Guliti, 2018).

MSE is one of the institutions given recognition in the country's industry development plan. It serves as vehicles for employment opportunities at urban center and it strengthen the economic development. MSEs also serve as sources for sustainable job opportunities not only for developing countries like Ethiopia, but also for developed countries like USA. Thus, they should be given prior consideration as they are essential and serve for sustainable source of job opportunities to Ethiopia(Haile and others,2014).

2.1.2. The Definition of Micro and Small Enterprises (MSEs)

There is no standard definition for MSEs. It has been defined differently by various individuals and organizations. Some common indicators included in the various definitions are; total assets, size of the labor force employed and annual turnover and capital investments (Benzazoua and others, 2015).

MSEs are considered to be non-subsidiary independent firms which employ less than a given number of employees across countries. In Scottish, a Micro enterprise contains 0-9 employees and Small enterprises 10-49 employees. Small enterprises are mostly considered to be fewer than 50 employees while micro-enterprises have at most ten, or in some cases, five employees. The common problem arises while dealing with MSEs is lack of clear and universally accepted definition (Haile and others,2014).

Defining MSE is a major factor that needs policies, legislation, programs and effective services. However, it is important to establish a definition for the enterprises, there has not yet been any internationally accepted definition .This is because of standards of determining and defining both the rate and size of the works differ from one country to another and from one sector to another (Eltahir, 2018).

A definition of MSEs given by developed country is different from how MSEs are defined in the in developing countries. For example, in USA an enterprise categorized as micro enterprise may be treated as medium enterprise in Africa for the fact that the definition of MSE is related to economic development of a country. The other commonly used factor in defining MSEs is annual turnover. In USA the definition given for small enterprises are the average annual gross revenues for the preceding three years should not exceed \$15 million and for Micro enterprises, the average annual gross revenues for preceding three years should not exceed \$3 million. This shows how definition of MSEs varies from country to country based on the size of the economy and population, levels of development, culture of country (Abdulmelike and others, 2018).

In Ethiopia, two different definitions of micro and small enterprises were introduced, namely: The definition used in the 1997 (EC 2005) micro and small enterprises development strategy; and the definition used by the Central Statistics Authority. The Definition adopted in the 1997 MSE Strategy, Micro and Small Enterprise Development Strategy (EC 2005) took an experience

of South Africa and other countries. It used paid up capital as criterion .During the period, there was difficulties on the numbers employed in MSEs and enterprises were operated by family members.

Table 2.1: The 1997 Definition of Micro and Small Enterprises in Ethiopia

Sector	Paid up capital
Micro enterprise	≤ ETB 20,000 (USD 1,200)
Small enterprise	≤ETB 500,000(USD 30,000)

Source: Mo UDH, 2016

According to The Central Statistical Agency’s definition, Micro and Small enterprise is based on the type of technology adopted and the size of manpower.

Table 1.2: The Revised Definition of Micro and Small Enterprise

Level of enterprise	Sector	Head count staff	Total asset ETB	Total asset USD
Micro enterprise	Industry	≤ 5	≤ 100,000	≤ 4,630
	Service	≤5	≤50,000	≤ 2,310
Small enterprise	Industry	6-30	101,000-1,500,000	4,630 - 69,500
	Service	6-30	50,0001-500,000	2,310 - 23,150

Source: Mo UDH, (2016)

Based on review of related literature, performance of micro and small enterprises (MSEs) measured in terms of increase in profit, capital growth and increase in number of employees for this study.

2.1.3 Definition of Performance and Its Measurements

Performance is a widely used concept in many areas. Usually, performance is a measure of how well a mechanism/process achieves its purpose. In enterprise management, in an organization performance is defined how well the organization is managed and the value the organization delivers for customers and other stakeholders (Wu & Zhao, 2009).

Armstrong (1994) defines performance management as a means of getting better results from organizations, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and attributes or competency requirements. Organizational performance is a measure of a company's success in achieving its goals. Organizational performance can be measured based on variables of quantitative and qualitative. Quantitative performance measures are commonly used by large corporations such as financial outcomes (ROE, ROA, ROI), production (the amount of goods sold, operating expenses ratio) marketing (number of customers) and efficiency. Qualitative performance measures such as discipline level, achievement of goals, perception of leadership, on organizational performance, individual behavior in the organization, and effectiveness (Tattichi et.al, 2008 as cited in (Anggadawita and Yuuha, 2013).

Employee performance is the final result of particular tasks which was made by employee, which employee responsible is for and which will be evaluated. In other words, work performance is the result of a specific work in a definite quality in a definite time (Trskova, 2016).

Performance as a term takes in evaluation and assessment, and assessment pulls in measurement and, subsequent to this, the application of decisions based on measurement and assessment pulls in management. "Performance" is an interesting concept. "Performance" is not an objective reality out there somewhere waiting to be measured and evaluated. "Performance" is socially constructed reality "Performance" exists in people's minds if it exists anywhere at all. We have to define what "performance" means before attempting to measure performance. "Performance" may include input, output, intermediate outcomes, performance may relate to economy, efficiency, effectiveness, cost effectiveness, or equity (Folan and others, 2015).

The debate regarding the contents of success and way of defining and measuring performance in small business is always open. Success and performance of small business are very narrowly connected, which is confirmed and emphasized by many authors, like Brush and Wanderwerf (1992), Brooks bank et al., (2003), Rogof et al. (2004), Perren, (2000), Curran, Kitching & Lightfoot (2000), Jarvis et al. (2000) and Jennings and Beaver (1997) as cited in Leković & Marić, (2015). Having considered these two categories, we can find explanations that success is a specific aspect of performance or is identified with high performance. Some of them recognize success in growth and profitability, but this aspect has significant shortcomings in the field of

small businesses where goals do not coincide, comparison and a real success statement are difficult to be presented. Financial indicators are simple for success definition and statement, but they can ignore the possibilities of alternative criteria for success definition, based mainly on personal goals of owners/entrepreneurs/managers (Leković& Marić, 2015).

The most known purpose of performance measurement is to improve performance of individuals. performance measurement appraisal has basically two important purposes, from an,organizational point of view it is the maintenance of organizational control and the measurement of the efficiency with which the organizations human resources are being utilized (Qureshi & Hassan, 2013).

Two significant management dimensions in the domain of success measuring of business systems are effectiveness and efficiency. Effectiveness dimension is oriented towards the choice of the right goals (doing the right things) which will have the market verification by consumers while efficiency dimension is determined by the degree of rational use and engagement of available resources (doing things in the right way) (Leković& Marić, 2015).

Accordingly, it is necessary to determine how owners/entrepreneurs/managers of small businesses experience success and how their perception of success influences the enterprise performance. Enterprise performance can be evaluated by the objective (traditional, financial indicators) and subjective (personally oriented) approaches Enterprise performance is related to objective measures of success, while success from the perspective of owners /entrepreneurs/managers can be stated by both financial and nonfinancial measures of success. In other ways, subjective success criteria understand measures as personal satisfaction and accomplishment, business proud or the flexible life style. Success is the consequence of several factors. Success is primarily determined by the characteristics of owners/entrepreneurs/managers as selfefficiency in finding opportunities, persistency and social skills (Markman and Baron, 2003 as cited in Leković& Marić, 2015).

A performance measure's usefulness for assessing workers' behavior crucially depends on the degree to which the worker has influence on the measure. Measures will be unreliable predictors of workers' productivity if they are largely driven by factors that are outside of a worker's control, such as variation in customer demand, or weather conditions in agriculture. Although any performance measure will contain some random variation, appropriate measures of workers'

productivity should be balanced with respect to the determinants that are within the worker's control versus those that are not. Measuring workers' productivity is important for public policy and private-sector decision-making. Due to a lack of reliable methods to determine workers' productivity, firms often use specific performance measures, such as how different incentives affect employees' behavior (Jan, 2016).

According to Taiwo and others (2016), identification of indicators of economic growth and poverty reduction, this study measured enterprise success by the following criteria namely;

(i) Wealth creation/profitability, Sustainability/number of years of existence of enterprises. Employment generation/number of people employed.

(ii) Distribution of income. The study, however, assumed that if the first two criteria (i and ii) are effectively achieved, the last two (iii and iv) will automatically be achieved. Hence, performance of an enterprise is peroxide by the product of its profit and sustainability index.

Companies need to evaluate their performances on a regular basis. The evaluation process is a useful technique to plan, control and make suitable decisions. Performances of a company, irrespective of its size and nature, could be evaluated using financial or non-financial elements or a combination of both. Evaluation on the financial aspect includes budgets and ratio analysis, while the non-financial process includes balanced scorecard and STEEPLE. In evaluating performances of a business organization, it would sometimes be functional to compare the results not only over a period of time (trend analysis), but also to the sector as a whole. A like to like comparison could reveal the current strategic position of a business organization and further actions needed to attain the desired niche. STEEPLE could be a useful collective measures the non-financial performances of companies. It is the acronym for S: socio T: technology E: environment E: economy P: political situation L: legal E: employees (Chong, 2003).

2.1.4. Contribution of Micro and Small Enterprises (MSEs)

In any economy, Small businesses are the engine of growth and development by creating jobs and generating income, stimulating competition, establishing business ventures and are sources of innovation. The presence of small businesses in economy provides a basis for reviewing various operations related aspects. In terms of increasing the importance of small business for the growth and performance of world economy, small businesses are relevant and important businesses in economic development of a country (Aleksandra and Stojan, 2015).

MSEs are contributing a great value to country's economy by creating jobs, increasing income, strengthen purchasing power, lowering costs and adding business convenience. MSEs are also essential for rapid and sustainable economic growth and development. They also promote growth, reduce poverty, create employment opportunities, enhance capacity building for manpower and skills development, and facilitate industrial development in the society (Houssein, 2017).

In Socio-economic development of any country both qualitative and quantitative changes are designed to contribute to the improvement of people's life. This change requires micro and small enterprises as one of the packages and instruments to accelerate economic growth and overall socio-economic development of the society. The socio-economic progress of developing country rests on the pillars of income from a large number of people. In this regard, the micro and small enterprises sectors play a vital role. In many countries MSEs are major engine of growth in employment, constitute the vast majority of business establishments, and responsible for the majority of jobs created account for one- third to two-thirds of the turnover of the private sector (Shiferaw, 2013).

In Indonesia, MSE contributed 60% of GDP and the sector absorbed 97% of the total work force. In 1997 at the time Indonesia suffered from economic crisis, micro and small enterprises were able to survive and continue to exist because of the economic conditions of the sector is neutral and free from government interference (Anggadawita and Yuuha, 2013).

Regarding its contributions to the success of development through the different plan, MSEs continue to be the subject of debate among scholars and politicians. The pro-MSEs perspective shares the views that through direct government support, it promotes economic growth, reduce

high poverty level, have economy-wide benefits by enhancing entrepreneurship, competitiveness, innovation, and growth in productivity (Hadis and Ali, 2018).

Today in Ethiopia Micro and small business enterprises are source of job creation, wealth creation, income generator for government gross domestic product. However those small business enterprises have not been able to contribute substantially as needed to the economic development of the country which is particularly because of financial, production, marketing and other problems. These problems are still major bottlenecks to their development. Based on the review of the literature, indicated that there is information gap on the contribution of MSEs.

2.1.5. Theoretical Background on Micro and Small Enterprises

Various theoretical models have been developed to describe the performance of small businesses. Classical theory states that poverty and the importance of MSEs development correlate positively. In rapid economic development, large and medium enterprises dominate the economy, but the economic share of MSEs declined. In other words, where people living in poverty, the MSEs reducing poverty. The theory focused on the relationship between levels of income and the growth of MSEs. The critics of the theory shines the emergence of the modern view was developed in 1980s (Tilahun, 2018).

The Creating a competitive advantage theories Consider the foundation of the resource based view (RBV) theory and it states that organizational growth, competitive advantage and sustainability are concomitant with distinguishable sets of productive resources and capabilities. It is also stated that not all resources contribute to competitiveness. Rather, advantage is created if resources are valuable, scarce, imitable and non-substitutable. The resources-based model assumes that such each organization is a collection of unique resources and capability, where some are tangible and others intangible. The theories associated with the creation of competitive advantage, the contextual culture required creating an entrepreneurial orientation and explaining how MSEs could adapt to the ever-changing micro and macro environments in which they operate (Asikhia and Van Rensburg, 2014).

2.1.6. National Strategy for the Development of MSEs

Ethiopia is among the countries that are working towards the achievement of Sustainable Development Goals. The first goal of sustainable development targets is to eradicate poverty and

hunger by halving the population living on less than a dollar per day and the population suffering from hunger.

The primary objective of the Ethiopian strategy framework is to create an enabling environment for MSEs. Along with the overall development policy and strategy, different policies and measures have been undertaken to promote the development of the country. MSEs comprise the lion's share of the number of establishments and jobs in the non-agricultural sectors, and are the focus of government's attention. Particularly, considering the important role that MSEs play in creating income and employment opportunities and eventually as a tool for poverty reduction, the Federal Government developed a strategy for the development and promotion of MSEs in 1997 (ILO, 2007). According to HLCLEP (2006), a legal and regulatory framework that creates a conducive environment is crucial for the promotion and growth of micro and small enterprises in general. After the change of government in Ethiopia in 1991, several policies were formulated and regulations promulgated relating to diverse social, economic and political issues. Among these; Issuance of Proclamation no. 40/96, which regulates the business of microfinance in the country, Issuance of the National Micro and Small Enterprises Development Strategy in 1997, Formulation of a new labor law and The issuance of Proclamation No. 33/98 to provide for the establishment of the Federal Micro and Small Enterprises Development Agency (FeMSEDA). The Ethiopian Government recognized the contribution of the informal sector and paid due attention to the promotion and development of MSEs which are important vehicles to address the challenges of unemployment, economic growth and equity in the country. To this effect, it has formulated a National MSE Development and Promotion Strategy in 1997, which enlightens a systematic approach to partly alleviate the problems through the promotion and growth of MSEs. The overall objective of the strategy is to create an enabling environment for MSEs, with specific objectives to facilitate economic growth, bring equitable development, create long-term jobs, strengthen cooperation between MSEs, provide the basis for medium and large-scale enterprises, promote export and balance preferential treatment between MSEs & bigger enterprises.

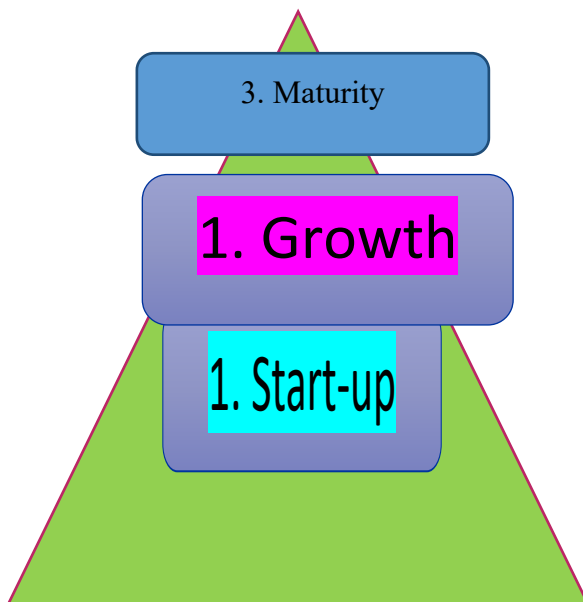
The Micro and Small Enterprise Development Policy & Strategy supports all aspects of urban development and housing through job creation and Ethiopia's transformation into an industrialized economy with middle income country status. The Micro and Small Enterprise Development Policy and Strategy can make a substantial contribution to sustainable

development goals. The issue of job creation and employment receives due attention in the Sustainable Development Goals and the national and Ministerial GTP II documents and has close linkages with Micro and Small Enterprise Development Policy and Strategy.

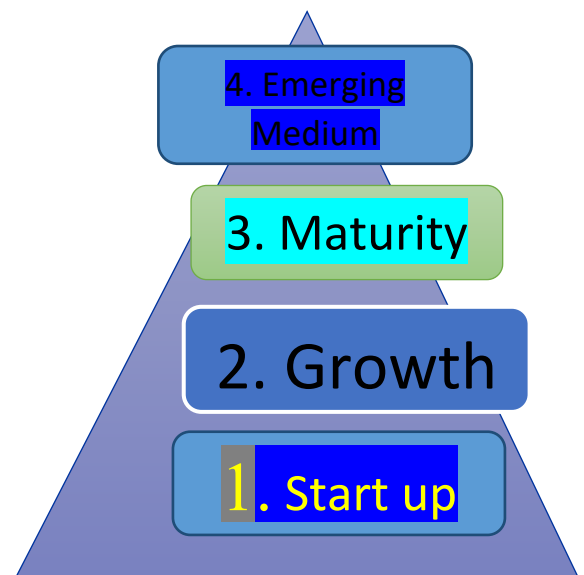
2.1.6.1 Government Support and Growth Stages of Enterprises

Government support either for growth oriented or non growth oriented sectors base the growth stage/ cycle of the enterprises. Based on the new strategy enterprises that wants to get support from the government are obligated to know the stage of the enterprise. The size of support to MSEs (either maximum or minimum) depends up on the growth stage of the enterprise. That is, the enterprises in the higher stage want large support to be successful in their business activity (Debela, 2011).

Figure 1.1: Types of Enterprises Growth Stage
Micro Enterprises



Small Enterprises



Source: Debela, (2011)

2.1.7. Empirical Study on Factors Affecting Performance of MSEs

Based on the reviewed of past studies conducted on micro and small enterprise the internal and external business environments affect performance of MSEs. Accordingly, some of empirical studies discussed as follows;

A research conducted by (Robleh, 2017) on factors influencing the performance of small and micro enterprises in Somaliland Hargeisa City concluded that factors that affect performance of MSEs are access to business location, access to finance, education of manager and the government policy and regulations affect the performance of the business to a great extent through taxation, licenses, through creation of support funds and through liberalization of the economy. Accordingly, several factors affecting the performance of MSEs have been identified in Ethiopia evidenced by different studies.

Alemayehu(2019) on his research study factors affecting the performance of micro and small enterprises in Wolita Sodo town, the study was employed both qualitative and quantitative research design and both primary and secondary data. In his research, questionnaire, interview and observation were the main data collection instruments. Among the 672 operators 251 sample sizes were selected using stratified and simple random sampling technique. The methods of data analysis were simple statistical techniques descriptive and inferential statistics. Furthermore, the research findings showed that financial, political-legal, access to business information service, technological and infrastructure are the major factors that affect the performance of MSEs in Wolita Sodo town.

A study conducted by (Guye, 2018) on the assessment of the factors affecting the performance of micro and small scale enterprises the case of Wolkite town, Guraghe zone, Southern Ethiopia, in the findings show that the performance of micro and small-scale enterprises was affected by age, sex, family size, access to business information, access to infrastructure, access to financial service, and access to managerial skills.

Abera (2012) analyzed the factors that affect the performance of MSEs in Addis Ababa using sample household survey data collected in 2011. He used both descriptive data analysis and multiple regression models to identify the factors affecting MSEs. His finding indicated that finance factors, marketing factors, infrastructure factors, technological factors, work premise factors, management factors and entrepreneurial factors hindered the performance of MSEs.

Meresa(2018) assessed factors affecting of small-scale enterprise the case of restaurants and hotels business in the Raya Azebo Wereda southern Tigray. The study used stratified random sampling to group the businesses into homogeneous entities out of 311 micro and small enterprises 169 micro and small enterprises. Questionnaires with both open and closed items

used to obtain data. Statistical Package for Social Sciences (SPSS) version 20 was used to analysis of quantitative data obtained from questionnaire questions. According to the findings of the study, factors affecting are the major ones include poor infrastructural facilities (like electricity and water), high rank level of competition, lack of access to finance, lack of knowledge and skill. In addition to this lack of access to market, lack of necessary support from relevant institutions specially to MSE's office, shortage of raw materials, managerial and technical skills, lack of additional facilities and enough space to accommodate the fluctuations in customers' arrival.

The study conducted by (Abdissa & Fitwi ,2016) on factors affecting performance of micro and small enterprises in South West Ethiopia: Bench Maji, Sheka, and Kefa Zones attempted to examine the internal and external factors that affect the performance of MSEs and described the characteristics of small enterprises operating in the study area and to recommended possible solution to alleviate problems of MSEs. According to their findings most of the MSEs operators did not have enough working premises and have no efficient experience and management knowhow to perform their activities effectively and efficiently as a result they were unsuccessful because they run their business activities without having adequate knowledge about the business environment.

A research conducted by Kagnew and others (2018) on factors affecting the performance of micro and small scale enterprises; experience from North Shewa Zone, Ethiopia, used probability; strata sampling techniques. The researcher selected 386 respondents out of 11,244 populations. For data analysis, used OLS regression analysis Pearson correlation Coefficient. The results showed that there is a significant positive relationship between entrepreneurship, labor skill, infrastructure, finance, leadership skill and the performance of MSEs. This study recommends that the MSE businesses and government should effectively address the infrastructure especially in terms of electricity, work place, market place and roads in order to increase their performance

Ahmed(2013) investigate the factors that affect the performance of Small and Medium Enterprises (SMEs) in the manufacturing sector of Cairo, Egypt. The research hypothesized that poor management skill such as human resources, financial management, general

management, production management and marketing management regarding the poor performance of SMEs in the manufacturing sector of Cairo, Egypt.

A research conducted by (Alfa & Usman, 2019) on empirical investigation of the factors affecting micro, small and Medium scale enterprises performance in Borno State, Nigeria. The study used simple random sampling technique generated from a survey of 84 Micro small medium enterprises operators in Maiduguri and analyzed with the aid of Statistical Package for Social Sciences (SPSS) version 23. Descriptive and Inferential Statistics were used to analyze the data collected. The results from the exploratory factor analysis, correlation and multiple regression analysis show that insecurity and inadequate infrastructural facilities are the most significant factors affecting MSMEs performance in Borno state. The study therefore recommends that government should provide better security and improve infrastructural facilities such as power supply in order to enhance MSMEs performance.

A research conducted by Zewdu (2018) conducted on performance of small scale enterprises in Dire Dawa city administration and its implication for promotion to medium scale enterprises using statistical analysis such as inferential analysis, SPSS version 20 statistical package software and the interview questions and narration. The survey was arranged from the sample of 171 small enterprises owner and the interviews purposively selected that 6 representatives of the sectors. The empirical study elicited major implication of promotion small scale enterprises are; financial, market, infrastructure, political, entrepreneurial, technology, raw material and management.

Dadi(2020) examined the factors that mostly influencing the performance of SMEs in North Shoa Zone, Fitcha town. The researcher used both quantitative and qualitative research methods and Stratified simple random sampling was employed to select proportional number of samples from the study area. The main instrument of data collection was the questionnaire and supported by interview and group discussion. The primary data were obtained and questionnaires were designed and distributed for 167 Small and Micro sized enterprises owners and managers. Data were analyzed and presented in tables as frequency, charts and graphs. The study elicited both internal and external factors were affecting the performance of SMEs that includes:- Lack of business planning skills, Lack of marketing skills, Lack of financial planning skills, Lack of human resource management skills were identified as internal factors. The tax levied on

business is too high and not reasonable, high Bureaucracy in company registration and licensing, Lack of government support, Inadequacy of credit institutions, Shortage of initial and working capital, High interest rate, Lack of own premises, lack of business related training and consultancy services were identified as external factors.

2.1.8 Conclusion and Knowledge Gap Emerged from Earlier Literature

The purpose of this section was being stress on the research gap which from pervious different studies related to this research. Therefore, the gap of previous study were taken from various author argue the current issue of factors affecting performance of Micro and Small enterprises outreach and improving the world economy as well as Ethiopian economy.

Table 2.2: Summary of empirical reviews

Study and Authors	Context	Performance parameters	Research methods	Research Gap
Factors Influencing the Performance of Small and Micro Enterprises (SMEs) Robleh, M. H. (2017).	Somaliland a Case Study of Hargeisa City	access to business location, access to finance, education of manager and the government policy and regulations	Qualitative and quantitativ e techniques	Variables like job attitude, technology are not included
Assessment of the factors affecting the performance of micro and small scale enterprise (Guye, 2018)	Wolkite town, Guraghe zone, Southern Ethiopia	age, sex, family size, access to business information, access to infrastructure, access to financial service, and access to managerial skills.	qualitative and quantitativ e	Variables like job attitude, and technology, are not included.
Factors that affect the performance of MSEs Abera,(2012)	Addis Ababa	finance factors, marketing factors, infrastructure factors, technological factors, work premise factors, management factors and entrepreneurial factors	qualitative and quantitativ e approaches	Internal variables like job attitude and management not included

Factors affecting the performance of micro and small enterprises (Alemayehu, 2019)	Wolita Sodo town	Financial , political-legal, access to business information service, technological and infrastructure	Mixed method	variables like job attitude and management and market linkage are not included
factors affecting of small-scale enterprise the case of restaurants and hotels business (Meresa, 2018)	Raya Azebo Wereda southern Tigray.	Poor infrastructural facilities (like electricity and water), high rank level of competition, lack of access to finance, lack of knowledge and skill.	quantitative methods	Only quantitative methods were used
Factors Affecting Performance of Micro and Small Enterprises Abdissa & Fitwi (2016).	Bench Maji, Sheka, and Kefa Zones	Political, social, land available ,technological, infrastructure, marketing, financial, management and enterprenueral factors	Qualitative and quantitative approaches	Lack the way to develop performance of MSEs
Factors affecting the performance of micro and small scale enterprises (Kagnew and others, 2018)	North Shewa Zone	Entrepreneurship, labor skill, infrastructure, finance, leadership skill	qualitative and quantitative approaches	Not includes intgrated analysis and focused only on external business
Empirical Investigation of the Factors Affecting Micro, Small and Medium Scale Enterprises Performance	Borno State, Nigeria	Insecurity, government policies, training and inadequate infrastructural facilities	qualitative and quantitative approaches	Focused only on the problems of MSMEsnot on performance

Performance of small scale enterprises Zewdu, M. (2018)	Dire Dawa city administration	financial, market, infrastructure, political, entrepreneurial, technology, raw material and management	qualitative and quantitative approaches	variables like job attitude and market linkage are not included
Factors that affect the performance of Small and Medium Enterprises (Ahmed, 2013)	Cairo, Egypt	Poor management skill such as human resources, financial management, general management, production management and marketing management	Qualitative	Focused only on management and qualitative research method
Factors that mostly influencing the performance of SMEs (Dadi, 2020)	North Shoa Zone, Fitchetown	Internal factors: Lack of business planning skills, Lack of marketing skills, Lack of financial planning skills, Lack of human resource management skills. External factors: High tax levied on business, high Bureaucracy in company registration and licensing, Lack of government support, Inadequacy of credit institutions, Shortage of initial and working capital, High interest rate, Lack of own premises, lack of business related training and consultancy services	Qualitative	Focused only qualitative research method and hypothesis was not tested

Source: Own Survey, 2020

2.1.9 Factors Affecting Performance MSEs

In this study the factors affecting performance of micro and small enterprises studied were the following factors. These were: job attitude factors, management related factor, access to finance factor, technological factor, infrastructure factor and market linkage factors.

I. Job Attitude factor

Attitude as a concept is all about individual way of thinking, acting and behaving. It has a very serious effect on work/employee performance. Positive attitude at work place is supposed to be the base and foundation toward higher performance in established situations. It is an investment and resources that can be used to achieve a higher profit, good reputation and overall organizational goals (Suleiman, 2013).

Attitude towards works are the feelings that the workers have toward different aspects of the work environment. There are some element which influencing the attitude towards works, namely personality, person-environment fit, job characteristics, psychological contract, organizational justice, work relationship, and stress. Arguments that support attitude towards works cause performance usually refer to the functions of attitudes as guidelines and facilitators of behavior. (Susanty & Miradipta, 2013).

Attitude can be developed by learning experiences, or can be formed simply by adapting the example and opinion of co-employees, friends and managers. Poor attitude is a performance that is adjudge by the owners/customers and some other significant as fallen below an expected standard. Poor attitude of workers has been observed among employees in both public and private own entities. The working culture however, varies from society to society and also from organization to organization (Suleiman, 2013)

Job related attitudes and organisational performance are the fundamental issues and the relationship between these factors are essential in every organisation for maintaining efficiency of a business enterprise (Rahiman & Kodikal, 2017).

The attitudes that can influence employee performance are job satisfaction and organizational commitment. Job satisfaction is a positive emotional state resulting from an individual's opinion of the job. There are direct links between performance and job dissatisfaction. People who are dissatisfied with their jobs are more likely to be absent from work, to have physical and mental-

health problems, and to quit their jobs. Job satisfaction is measured as attitude and as an attitude that contains five dimensions. These are; the pay level, the work itself, the opportunities for promotion, the quality of supervision, and the level of satisfaction with one's co-workers (Dolan and Lingham, 2008).

Job attitudes are one of the oldest, most popular, and most influential areas of investigation in all of organizational psychology. Job attitudes are evaluations of one's job that express one's feelings toward, beliefs about, and attachment to one's job. This definition encompasses both the cognitive and affective components of these evaluations while recognizing that these cognitive and affective aspects need not be in exact correspondence with one another. Job attitudes predict many organizational behaviors; to achieve optimal prediction, correspondence needs to be maintained between the attitude and the behavior being predicted (Timothy and John, 2012).

II. Management related factor

Managerial skills, measured through the level of education, experience or knowledge, have a positive impact on the performance of MSEs. In a research intended to identify the importance of management competence for the MSEs success, the absence of managerial skills was identified to be the main factor why MSEs fail (Nastasia and othes, 2017).

Lack of people management skills can pronounce trouble to a small business. People management necessitates the ability to employ the right people at the right time and with the right skills (Bushe, 2019).

The performance of the organization is dependent on good management (Alfa & Usman, 2019). Human resource refers to the skills, experience, knowledge and ability to work. Similarly, access to employment and earnings and adequate nutrition is dependent on human resource. In general human resource is highly dependent on health care, education and safe environment (Anagaw and Sisay, 2018).

There is a misunderstanding about the term training and development and most of the peoples are consider is same but there is some difference between training and development. Training is the systematic and formal change in the behavior of an individual due to learning, instructions and planned experiences (Armstrong, 2001 as cited in Qureshi &Hassan, 2013)

In addition to this, training is to provide required knowledge and abilities to the employees of the organization for the performance of the particular tasks. On the other hand, development is somehow different from training as it is the use of the knowledge, skills and abilities by the employees, which the employees can use for the performance of tasks today and in future (Anthony, Perrewe & Kacmar, 1996 as cited in Qureshi & Hassan, 2013)

The interest in training and development is the assumption that employees and the way they are managed are critical to the success of a firm. In organizational settings, training and development is the organizational activity concerned with improving the performance of individuals and groups. Training and development also ensures individuals with opportunities to develop their competencies that enable them to achieve professional and personal career objectives within the organization's goals. On the other hand, development focuses on the activities that organization employing the individual may partake in the future (Jonathan, 2015).

Small business are owned by one person (leader) or small group of people and managed by their owners, who with all management usually with the other little help. In Ethiopia, most of micro and small enterprises launched without a feasibility report. Wherever such reports were prepared, the purpose was to use them as advice to obtain institutional finance than to serve as a plan to make the unit a success of the enterprises (Getahun, 2016).

III. Financial factors

Nowadays, all financial actions become more and more important. People must make plans for their retirements, decide about borrowing an amount of money for different needs (buy things, education, holidays, etc.), insurance their live, homes and things. In this context, for all these actions it is basic a minimum level of financial knowledge and abilities for each person, in order to take a good financial decision, because all these financial decisions are vital to the future health of country's economy (Cristian & Dornean, 2012).

Access to finance is almost universally indicated as a key factor for MSEs. Credit constraints operate in variety of ways in where undeveloped capital market forces entrepreneurs to rely on self-financing or borrowing from friends or relatives who are not enough to enable MSEs undertake their business activities optimally. Access to long-term credit for micro and small enterprises forces them to rely on high cost short term finance. There are various financial factors

that face micro and small enterprises. They include the high cost of credit, high bank charges and fees (Stephen and others, 2014).

Struggling for economic prosperity is difficult for everyone – and especially hard for young people who have never learned how to plan to achieve financial security. Studies investigating the financial literacy concept are not limited. Researchers from different areas have defined financial literacy in many different ways. Some of these definitions take into consideration that financial literacy means only what people know about finance (NCEE, 1999; Cutler and Devlin, 2000; Lusardi, 2008) as cited in Cristian & Dornean, (2012). Regarding financial awareness, Mason and Wilson (2000) stated that financial literacy refers to individual's ability to obtain, understand and evaluate the relevant information necessary to make financial decisions, with a focus on the awareness of the likely financial consequences (Cristian & Dornean, 2012).

IV. Technological factor

Technology involves tools, techniques, materials and methods firms used to produce new product/process or improved products/or process. Technology can enhance small business innovativeness opportunities in manufacturing, logistic, customer service, finance and almost every business activity. In addition to this, technology means the information, equipment and processes required to transform input into output in the organization (Kearney, 2017). Technology looks at how inputs are converted into outputs. It encompasses the way small scale manufacturing firms produce goods/services using tools, equipment, techniques and human know how (Franca and Aka, 2018).

Technology may affect efficiency of production. A high-tech company may produce its output at a relatively shorter time and in many cases lower costs. In assessing performances of a business, there is a need to evaluate whether there is a change in the process of production or delivering the services (Chong, 2003).

In the age of digital communications and social networks, cell phone manufacturing companies are introducing sophisticated products into the market. The sophistication of consumers' demands, preferences, and changing trends in technology have necessitated the need to manufacture products that satisfy the need of the customers (Nwachukwu and Zufan, 2017).

New technologies had a great impact on all aspects of life and the global society and economy is undergoing a fundamental transformation. Society is changing and is becoming knowledge society more dependent on new technologies, with a new economy or knowledge economy, where knowledge and information are essential and the key factor of production and where ideas, processes, knowledge and information are growing share of trade in the knowledge economy (Berisha, 2009).

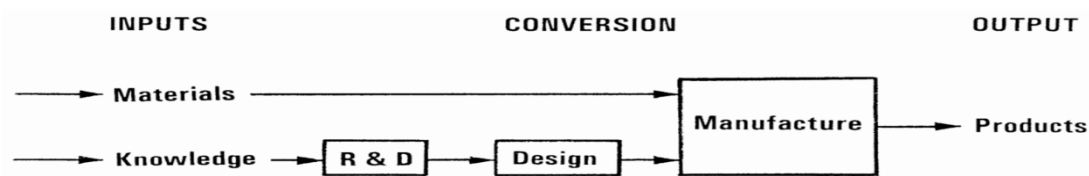
Information and Communication Technologies (ICTs) play a big and catalyst role in today's business environment. The rapid growing effect of globalization and advancement in ICT has brought about remarkable improvements and great opportunities for developing countries to participate expressively in the global digital economy. Information communication technologies have a major role in enabling the conditions for industries to generate economic growth and development by reducing poverty (Agegnehu and others, 2019).

Information technology had a great impact in all aspects of life and the global economy is currently undergoing fundamental transformation. Information technology has very real impact in most of industries and in all aspects of economy, while businesses and enterprises continue to undergo considerable changes (Berisha, 2009).

New external linkages may upset the status quo and that small firms which do not expand their knowledge base within a cluster may struggle to keep up with new developments. The degree which large firms assist MSEs in maintaining quality, price and delivery targets through standards and production compliance measures especially for more complex products can foster upgrading through technology and skills transfer and lead firms can also provide smaller firms with access to industry best practices, along with hands-on advice such as how to upgrade production capabilities and improve production flows (Mulei & Gichira, 2016).

Small scale enterprises are fairly labor intensive with comparatively smaller capital investment than the larger unit. Micro and Small enterprises need encouragement to upgrade the level of technology or to use modern technology to increase productivity and increase quality of product by providing credit capital subsidy of loan (Cheeroli, 2018).

Figure 2.2: Sequential analysis of technology



Source: Adapted from (Franca and Aka, 2018).

V. Infrastructure factor

Infrastructure is basic physical and organizational structures needed for the operation of a society, enterprise, services and facilities necessary for an economy to function. It can be generally defined as the set of interconnected structural elements that provide framework supporting an entire structure of development and important term for judging a country or region's development (Samuel and others, 2016).

Developing countries are often missing appropriate physical infrastructure, because of their fast and substantial development is essential in order to allow MSEs to perform. In such countries, most areas are missing modern means of transportation and limited access to water supplies and electric power for agricultural and industrial use. The improper development of the physical infrastructure is one of the main causes of reduced level of investments and poor performance of the MSEs. Lack of proper development of infrastructure, regardless of its nature, makes difficult for an enterprise to function properly, thus, some entrepreneurs may find it inappropriate to engage in all type of business (Nastasia and othes, 2017).

Access to public physical infrastructure services includes water, electricity, serviceable roads, telecommunication, telephones, electronic media and postal services which are all crucial for business start-up, development and growth (Muhsin Danga, Joel Chongela, and Ismail Kaudunde, 2019).

Social and economic activities can be facilitated and accelerated by the presence of infrastructures. It takes little analysis to see that infrastructures play a major role in the economy of a country whether developing or developed. The need for good infrastructure is of great importance to businesses and their owners all over the world and over various sectors of the economy (Samuel and others, 2016)

According to Malefane (2013), infrastructural shortages were mostly widespread in communities characterized by poor road networks, transportation and lack of public services such as electricity, education, recreation, development and telecommunications (Bushe, 2019).

VI. Market linkage factor

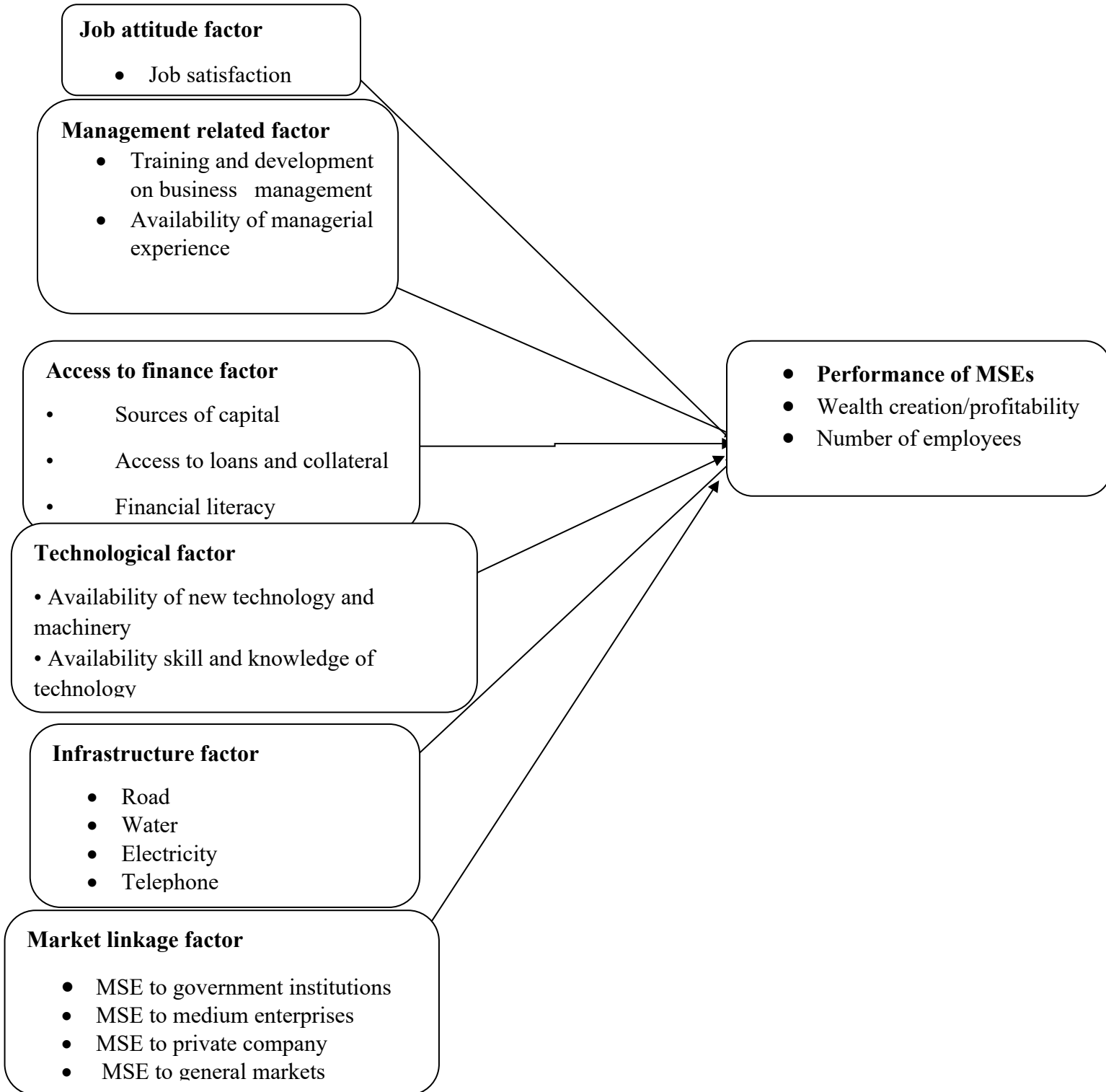
Smallholders often have problems to explore new market opportunities because of their limited capacity and capabilities. Therefore, they need support that aims to organize and coordinate smallholder production and establishes new market linkages. The condition of extension services such as finance, training, inputs, enhance the development of smallholders capabilities which can stimulate the development of sustainable market linkages. Difficulties with regard to production costs and volumes, poor access to information and market linkage raise the transaction costs of working with a large number of small enterprises. In addition, the low production capability of smallholders is the challenges to achieve economies of scale (Jalu, 2015).

The various business linkages that the Micro and Small Enterprises (MSEs) can establish with large enterprises are essential factors for their growth and competitiveness. The organization of these linkages is crucial both up-stream with the suppliers and sub-contractors, and down-stream with the distribution and marketing channels (Mulei & Gichira, 2016). Marketing knowledge is important for the promotion, growth and development of micro and small enterprises. In this regard, the government has formulated MSEs strategies to ease marketing challenges by creating inter-linkage mechanisms with other institutions, providing training on marketing, developing export support programs and marketing information center (MoTI, 1999).

2.1.10. Conceptual Framework

Based on the literature review the researcher proposed a model of the performance of MSEs (dependent variables) with the factors that affect the performance of MSEs (independent variables). In line with the objectives of study, performance of MSEs, which is measured in terms of wealth creation/profitability were dependent variable whereas the factors affecting performance of MSEs were job attitude, management, access to finance, technology, infrastructure and market linkage used as independent variables. The relationship between factors affecting performance of MSEs as independent variables and performance as of dependent variable show as in figure 2.3 below.

Figure 2.3: Conceptual Frameworks
Independent variables



Source: Adapted from Stephen and others, (2014) and modified by the researcher, (2020)

CHAPTER THREE

RESEARCH DESIGN AND METHOD

The aim of this chapter is to describe the research design, types and source of data, study population, sample design, tools and methods of data collection, data analysis that are needed to undertake the entire study. Additionally, the research validity and reliabilities as well as the ethical considerations are included.

3.1 Description of Study Area

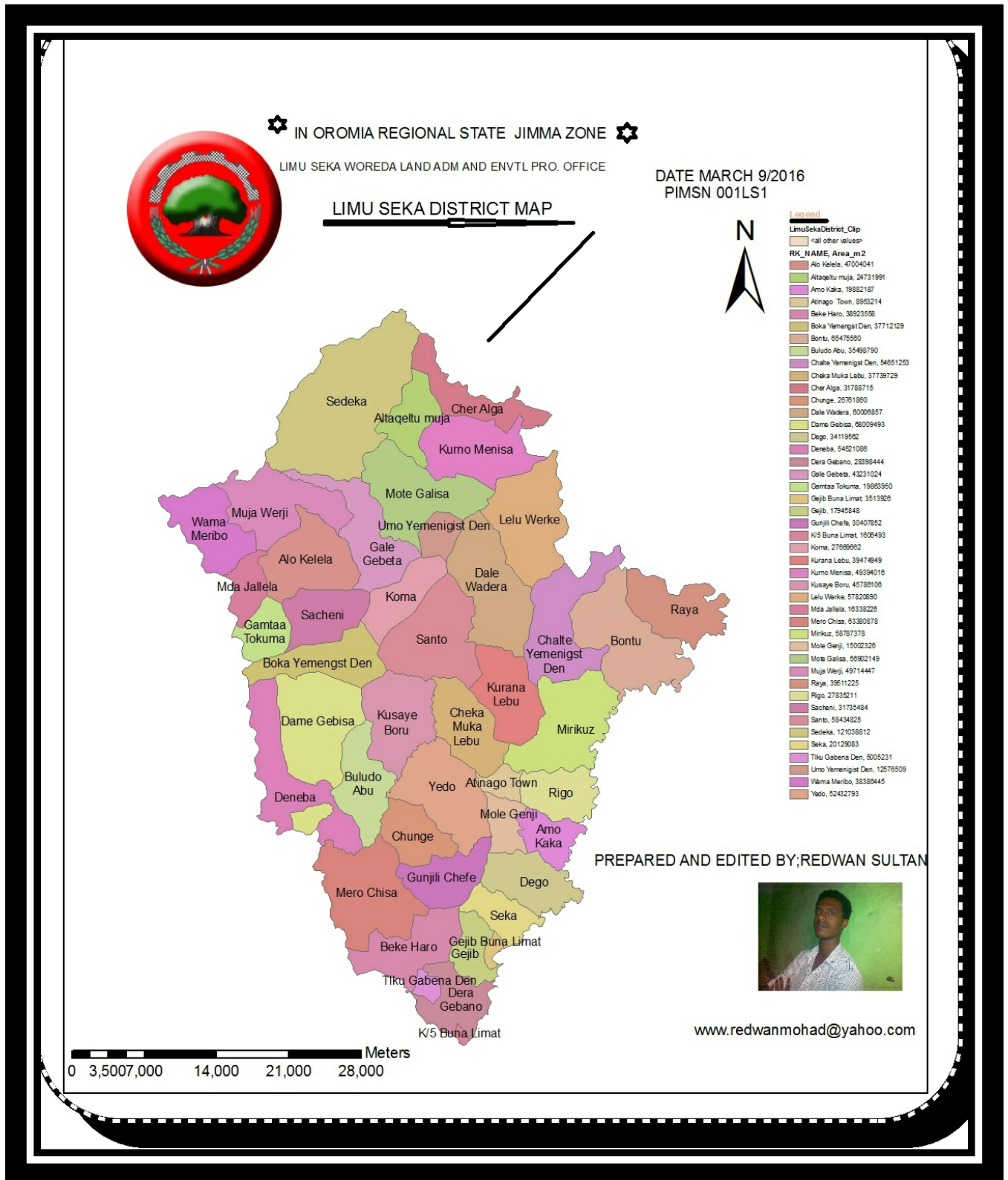
Limu-Seka is one of the 21 woredas' of Jimma Zone of Oromia Regional States; its capital town is Atnago located 110 KM to the North-east of Jimma town. The woreda covers 1,777 km² constitutes population density of 85 persons/ km²; has constitutes 40 administrative Keble's of which 38 rural Keble's and two urban center's Atnago and koma.

The woreda is bordered with Limu-Kossa in the South and South-East, Borecha woreda in the west, Wama-Boneya woreda and Nono-Kumba woreda in the North-East and Nono-Benja woreda in the North and North-West, Chora-Botor woreda in the in the East. Regarding the land features the most of the woreda consists of major mountains which cover the central and southern parts of the woreda, undulating plateaus (mostly the western and the northern parts), rolling plains around the Gibe and Dedessa valleys.

According to Limu Seka Agriculture and Rural Development office report, 2019 the woreda is located over an edge dividing the Dedessa sub-basin and Gibe- omo-basin. It is both by Dedessa and Gibe rivers, with Gibe River taking a larger drainage area. Climatically, high land, temperate and lowland constitutes 12%, 55% and 33% respectively of the total land area, and the mean annual temperature ranging from 12.1⁰ C to 24.7 ⁰C and mean annual rainfall of 1700 to 2200mm.

The total population of the woreda is 164,458 of whom 82,461(50.14%) are males and 81,997(49.85%) are females with the growth rate of 2.9% and covers 5 % of the zone Population, and the total households of 32,477 with the average family size per household is 5. Out of the total population 92.86% (152,731) peoples are rural inhabitants engaged in mixed agricultural activities and 7.14% (11,727) are urban dwellers (Limu Seka woreda finance office, 2019

Figure 3.1: Map of Limu Seka woreda



3.2 Research Design

Casual & Correlation research design has been employed in this study. Thus, the study problem was more likely to be answered through quantitative approach. Despite this, it is favorable to combine qualitative and quantitative approaches in order to reduce the limitations and increase the quality and the flexibility of the data (Robinson, 1998).

Correlation design is used to study a relationship and an association between two concepts where there is some kind of influence of one on the other, a causal relationship and where one causes changes to occur in the other. The cause is referred to as the independent variable while the variable that is affected is the dependent variable. This study is predominantly used quantitative data and the qualitative data were also utilized as supplementary for the quantitative data.

3.3. Types and Sources of Data

The study was conducted by using both primary and secondary data. The methods of collecting primary and secondary data differ since primary data are to be originally collected, while in case of secondary data the nature of data collection work is merely that of compilation (Kothari, 2004).

3.3.1. Primary data

For this study primary data were collected from MSEs owner/manager through survey questionnaires furthermore the qualitative primary data were collected from the government officials with regard to factors affecting performance of MSEs through interview.

3.3.2. Secondary data

Secondary data was collected from different sources like government offices manuals, documents, government offices reports, journals, library books, and internet sources so as to achieve the main information need of the study.

3.4 Population of the Study

The study population was micro and small enterprises in the Limu Seka Woreda. According to Limu Seka Woreda Industry and Enterprise Development Office, there are 383 MSEs operating within the woreda. The population participated in the survey has been selected by using

multistage sampling methods. The total populations of 383 enterprises from different kebeles in Limu Seka were taken as target population for the study.

Table 3.1: Total population of Micro and small Enterprises

NO	MSEs Sector	Number of Enterprises
1.	Manufacturing	61
2.	Construction	32
3.	Agriculture	211
4.	Service	37
5.	Trade	23
6.	Mining	19
	Total	383

Source: Own Survey, 2020

3.5. Sample Design

In this study, one hundred ninety six micro and small enterprises owner/manager were selected and taken as sample believing the data elicited from the owner/manager would represent all MSEs owner/manager operating in the woreda.

3.5.1. Sample Size Determination

The member of samples or representative respondents was taken by employing the appropriate sampling technique and the required number of samples calculated as follows. Since the number of the respondents is finite, the researcher used determination of size through the approach based on precision rate and confidence level.

In order to determine sample size Yemane (1967) finite and large population sample size formula with 95% confidence level is employed which has a total of 196 samples and proportionally distributed to each stratum. The formula used to obtain this sample size is presented below.

$$n = \frac{N}{1 + N(e)^2}$$

n=Number of sample size taken

N=Number of population

e=sampling error/level of precision

Accordingly the target population results, the following are the samples.

$$n = \frac{383}{1 + 383(0.05)^2} = 196$$

3.5.2. Sampling Technique

In this study multistage sampling technique was introduced to gather data. In this sampling technique, the total MSEs operating in the woreda were divided into groups by their business sectors and from every groups small groups were selected and from the small group members of sample group were chosen. In this technique stratified sampling and lottery methods were used in combinations. Each enterprises sectors and MSEs operating within the woreda is act as a single group. Hence the number of group were six as equal number as the number of selected MSEs and point of business sectors. Accordingly, the target population of the study were taken according to the table 3.2 below.

Table 3.2: Sample size in enterprises sectors

NO	MSEs Sector	Number of Enterprises	Sample size Enterprises
1.	Agriculture sector	211	108
2.	Service sector	37	19
3.	Trade sector	23	12
4.	Manufacturing sector	61	31
5.	Construction sector	32	16
6.	Mining sector	19	10
	Total	383	196

Source: Own Survey, 2020

Thus, the representative sample size of the study from the total population of 383 was 196 MSEs owners/managers.

3.6. Methods of Data Collection

Questionnaire and semi-structured interview were employed to collect the necessary quantitative and qualitative data from the respondents' respectively. To measure all the variables, the researcher used highly validated measurements from different researchers. The study used data collected mainly by questionnaires prepared in the form of five point Likert scales ranging from (1) strongly disagree to (5) strongly agree .Closed-ended questionnaires were prepared on the basis of factors affecting performance of MSEs because it helps to avoid pressure up on the respondents in any direction and better to obtain the required data in the study area.

The questionnaire was divided in to two sections. The first sections contained the demographic characteristics of the respondents were requested to provide detail information about their gender, age, service year or experience, educational level and marital status, owner/ manager position, form of business, business sector, source of capital, annual income and total asset of respondents. The second section of the questionnaire was designed to enable the research to gather information about factors affecting the performance of MSEs which contains statements that are specifically designed to measure factors affecting the performance of MSEs in relation to the six independent variables – job attitude, management, access to finance, technology, infrastructure and market linkage.

For all questionnaires included under section two, the respondents were requested to indicate their level of agreement on five Likert scale type to measure weighted as follows: 1 = Strongly disagree, i.e., very much dissatisfied with the case described, 2 = Disagree, i.e., not satisfied with the case described, 3= Undecided, i.e., uncertain with the case described, 4 = Agree, i.e., feeling alright with the case described, 5 = Strongly agree, i.e., very much supporting the case described. It was firstly designed in English version and translated into Afaan Oromo language for ease of understanding by respondents.

3.7. Data Collection Procedures

Questionnaire survey is a major one method of collecting large amount of data from a sample population in an economical way (Saunders and others,2009). The researcher distributed close – ended questions to MSEs owners/managers.The questionnaires were translated into Afaan Oromo language. Hence, the respondents made to be able to describe their demographic character and experiences while they have been involved in micro and small enterprise business.

After preparation of questionnaire, by adopting and adapting from related studies; formats, sequences and instruments was evaluated by academic advisor prior to the data collection so as to maintain the validity of the instruments. Then after, before the distribution and collection of the survey questions to the total sample populations, reliability test was performed with the standard reliability test instrument. On the data collection time, questionnaire was delivered by hand to each respondent with the support of fifteen data collectors in a convenient available way. Each data collectors had distributed about 12-13 questionnaires, individually. Some late respondents were reminded by the researcher and data collectors via walk-in and phone call to the MSEs owner/manager.

The semi-structured interview plan was made with Limu Seka woreda enterprise and industry development office, one stop service offices, TVET office and Oromia credit and saving share company Limu Seka branch totally from eight respondents.

To undertake the interview, the researcher had sent the permission form and interview plan to the respondent by face to face communications, so as to appoint the date and location of interview. It was constructed by an open-ended question which was taken an average time of 30 minutes questioning and answering session.

Finally, the data was checked and edited to ensure completeness, accuracy and uniformity. All instruments were assigned in sequence numbers to facilitate identification and data entry into the computer. The data was coded after checking/editing, and entered into the computer for analysis.

3.8. Methods of Data Analysis

The study examined the factors affecting performance of MSEs and thereby various statistical tools were used depending on their appropriateness for the study in the empirical analysis. To analyze the data and address the objectives of the present study, different types of statistical methods including descriptive statistics like minimum, maximum, mean and standard deviation of the respondents, and inferential statistics correlation analysis was used to understand the relationship between each study variables and multiple linear regression was used to conclude the effect of job attitude, management, access to finance, technology, infrastructure and market linkage on performance of MSEs.

3.9 Model Specifications

In this study multiple regression model were used to examine the relation of each factors with performance of MSEs. The purpose of multiple linear regression is to seek for the linear relationship between several independent variables and dependent variable. Multiple regression also allows researchers to examine the effect of more than one independent variables on response at the same time. For some research questions, regression can be used to examine how much a particular set of independent variables can explain sufficiently the outcome. In other cases, multiple regression is used to study the effect of outcome while accounting for more than one factor that could influence the outcome (Yan & Gang, 2009) . Multiple regression analysis is a major statistical tool for predicting the unknown value of a variable from the known value of two or more variables. And it is about finding a relationship between variables and forming a model. The model was developed using six explanatory variables or predictors, which affects MSE performance. The equation of multiple regression model is

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \epsilon$$

Where Y =MSEs Performance

X₁= Job attitude factor

X₂= Management factor

X₃ = Access to finance factor

X₄= Technological factor

X₅= Infrastructure factor

X₆= Market linkage factor

(β)= Beta Coefficient

ε = Error Term associated with each independent variable which measures the change in the mean value of Y, per unit change in their respective independent variables.

Table 3.3: Model specification of variables

S.No	Predictor variable(x)	Beta Coefficient(β)	Predictor x-value assigned
1	Job attitude	β_1	X_1
2	Management	B_2	X_2
3	Access to finance	B_3	X_3
4	Technology	B_4	X_4
5	Infrastructure	B_5	X_5
6	Market linkage	B_6	X_6
	MSEs Performance	Constant	Y

Source: Own Survey, 2020

Furthermore, ANOVA of the regression model was analysed to show whether the model, overall, results in a significantly good degree of prediction of the dependent variable. All the analysis methods were assisted by the SPSS (Statistical Package for Social Science) software Version 21. Chi- square test

3.10. Validity and Reliability Test

It is not adequate just to measure social science constructs using any scale that we prefer. We also must test these scale to ensure that: (1) these scales indeed measure the unobservable construct that we wanted to measure (i.e., the scales are “valid”), and (2) they measure the intended construct consistency and precisely (i.e., the scales are “reliable”). Reliability and validity, jointly called the “psychometric properties” of measurement scale, are the yardsticks against which the adequacy and accuracy of our measurement procedures are evaluated in scientific research (Bhattacharjee, 2012). So, the researcher checks for validity and reliability of the data collected through survey.

3.10.1. Validity Test

The validity of a scale refers to the degree to which it measures what it is supposed to measure. Unfortunately, there is no one clear-cut indicator of a scale’s validity. The validation of a scale involves the collection of empirical evidence concerning its use (Pallant, 2016). In this study the question was reviewed by two advisors (principal and co advisor) to make sure that each item is

measuring what is intended to be measured. In order to measure the attributes of interest and for the instrument to be predictable, consistent, and accurate.

3.10.2. Reliability Test

The reliability test is an important instrument to measure the degree of consistency on an attribute which is supposed to measure. As stated by Pallant (2016) the less variation of the instruments produces in repeated measurements of an attribute the higher its reliability. Reliability can be quoted with the stability, consistency, or dependability of measuring tool. Cronbach's alpha is one of the most commonly accepted measures of reliability. It measures the internal consistency of the items in a scale. It indicates that the extent to which the items in questionnaires are related to each other. The normal range of Cronbach's coefficient alpha value ranges between 0-1 and the higher values reflects a higher degree of internal consistency.

Different authors accepted different values of this test in order to achieve internal reliability, but the most commonly accepted value is 0.70 as it should be equal to or higher than to reach internal reliability(Hair and others, 2003).

Before the actual data gathering, the pilot test was conducted and pre-test was conducted and pre-test questionnaires distributed to 20 owners of MSEs. But to avoid bias these owners of MSEs were not parts of the sample study. Depending of responses, some items were improved, redundant and unnecessary questions rejected and appropriate questionnaires were prepared for final data collection. After the pilot test had been completed, the validity and reliability of the scales was examined by computing their coefficient of alpha (Cronbach's alpha) for six independent variables and the dependent variables were above .70 Therefore data that were collected for this research were considered to be consistent.

Table 3.4: Measure of internal Consistency-Cronbach's alpha

Dimension	No of items	Cronbach's alpha	Remark
Job attitude factor	12	0.81	Reliable
Management related factor	8	0.84	Reliable
Access to finance factor	12	0.92	Reliable
Technological factor	10	0.94	Reliable
Infrastructure factor	6	0.95	Reliable
Market linkage factor	11	0.95	Reliable
Performance of MSEs	9	0.93	Reliable
Entire	68	0.98	Reliable

Source: (SPSS Survey, 2020).

As shown above in the table 3.4, all dimensions' Cronbach's alpha is above the cut of point of 0.70. The lowest Cronbach's alpha registered is 0.81 (job attitude) and the highest is 0.95 (infrastructure and market linkage). Therefore; it can be inferred that all measures are internally consistent. Accordingly, the questionnaires were distributed to sample respondents.

3.11. Ethical Considerations

Some of the expected tenets (principles) of ethical behavior that are widely accepted within the scientific community are: voluntary participation and harmlessness, namelessness and confidentiality, disclosure, analysis and reporting (Bhattacharjee, 2012). Therefore, the researcher of this thesis attempted to consider these issues in respect of each as follows.

Voluntary participation and harmlessness: Subjects in a research project must be aware that their participation in the study is voluntary, that they have the freedom to withdraw from the study at any time without any unfavorable consequences, and they are not harmed as a result of their participation or non-participation in the thesis. To this effect, the researcher gave freedom to the respondents and they exercised freely on the given questionnaire.

Namelessness and confidentiality: to protect subjects' interests and future well-being, their identity must be protected in a scientific study. This is done using the dual principles of anonymity and confidentiality. Anonymity implies that the researcher or reader of the final research report or paper cannot identify a given response with a specific respondent. Confidentiality means the researcher can identify a person's responses, but promises not to divulge (reveal) that person's identity in any report, paper, or public forum.

In both cases, this has been confirmed by the researcher in such a way that there was no need to fill their name on the questionnaire. Even if there were face-to-face interview questions, they were assured that their identity would not be disclosed. Hence, much trust was developed between the researcher and sample respondents.

Disclosure: usually, the researcher has an obligation to provide some information about his/her study to potential subjects before data collection to help him/her decide whether or not they wish to participate in the study. For instance, who is conducting the study, for what purpose, what outcomes are expected, and who will benefit from the results. Guided by this ethical principle, the researcher has disclosed about the content and purpose of the study. Moreover, the benefit of the research after finalization has been well-disclosed to the respondents.

Analysis and reporting: it has been evident that the researcher also has ethical obligations to the scientific community on how data is analyzed and reported in the study. Accordingly, genuine information has been forwarded not to mislead the scientific community.

CHAPTER FOUR

4. DATA ANALYSIS AND PRESENTATION

This chapter clarifies the socioeconomic and demographic characteristics of MSEs, kinds of supports and linked regulatory surroundings, employment created & their sectorial distributions, beside confronts and potential predictions of MSE performance would be examined.

4.1 Response Rate

One hundred ninety six questionnaires were distributed across the sample MSEs in the study area and data were collected from one hundred eighty seven MSEs owners, managers, sales person and others who were members of the enterprises which were operating in Limu Seka woreda. Out of this, 3 sets of the questionnaires were considered useless because they were not properly filled while 6 of the questionnaires were not filled totally because of the unwillingness of the MSEs Owners and managers. It was assumed that the respondents were unwilling to cooperate because of pandemic Coronaviruses /COVID-19/. Therefore, only one hundred eighty seven usable sets of collected questionnaires were used for the data analysis. Therefore, the response rate was 95.4 percent was attained and all of the study respondents were found in Limu Seka woreda.

4.2. The Demographic Characteristics of the Respondents

The first part of the questionnaire consists of the demographic information of the respondents. It consists information related to demographic characteristics of the respondents and their enterprises. Therefore, the demographic characteristics of respondents were discussed in the following ways.

Table 4.1: Demographic characteristics of respondents

Demographics	Categories	Frequency	Percent
Gender	Male	163	87.2%
	Female	24	13%
	Total	187	100%
	Total	187	100%
Age	15-20 years	45	24.1%
	21-25 years	88	47.1%
	26-30 years	24	13%
	31-35 years	16	8.6%
	36-40 years	9	5%
	41-45 years	5	2.7%
	Total	187	100%
Position	Manager	107	57.2%
	Owner	24	13%
	Sales person	30	16%
	Others	26	14%
	Total	187	100%
	0- 5 years	111	59.4%
Work experience	6-10 years	49	26.2%
	11-15 years	27	14.4%
	Total	187	100%

Source: SPSS output from survey data, (2020)

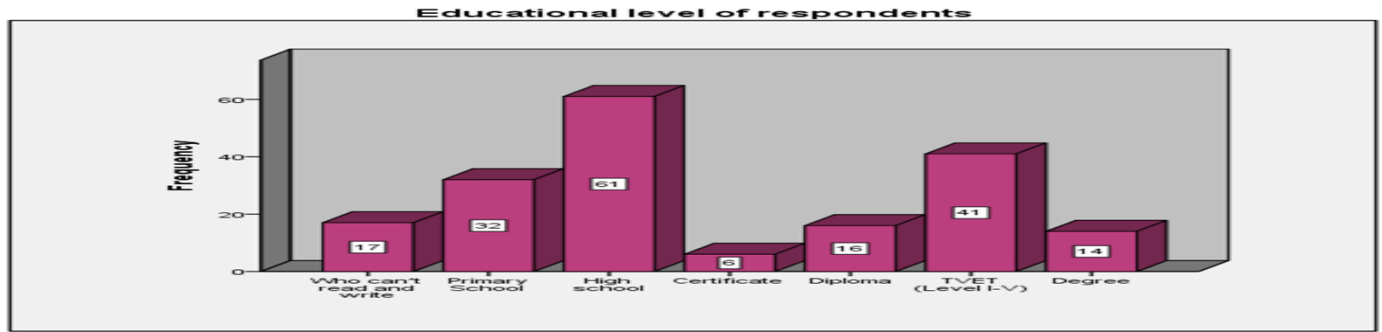
The table 4.1 above shows 163 (87.2%) and 24 (12.8%) of the respondents were male and female respectively. From this it was possible to say that the participation of women in micro and small enterprises is very small and the enterprises were dominated by male individual more.

From the table above 4.1 it can be assumed that 88 (47.1%) of the respondent age group were 21-25 years, 45 (24.1%) of respondents were 15-20 years, 24 (12.8 %) of respondents were 26-30 years, the rest age groups 31-35 years, 36-40 years, 41-45 years, were 16 (8.6%), 9 (4.8 %), 5 (2.7%) respectively. Most owners/ managers (47.1%), of sample micro and small enterprises surveyed have aged between 21-30 years and it was shown that majority of MSEs surveyed were young group that have been important to the growth of the enterprise. The age of the respondents were important as different age groups have different challenges in operating their business. Young businessmen may not be having enough experience and capital to grow their businesses while aged businessmen may be.

The table 4.1 above also displayed that the respondents about 107 (57.2%) were manager, 30 (16%) were sales person, 26 (13.9%) respondents were combinations of others and 24(12.8%) were owners. Hence, the most enterprises were leaded by manager. It is worthwhile to note that all businesses run by 'others' are run by a member of the enterprises of the micro and small enterprises.

Regarding the work experience of respondents, the majorities 111 (59.4%) were from 0 -5 year experience, between 6 - 10 year experiences were about 49 (26.2%), work experience from 11 - 15 years rated about 27 (14.4 %). Thus, the more experienced employees help to the enterprises success and expansions in the study area as well as in the country. This implies that majority of the respondent traveling –last in relationships with the company and they are capable to give accurate information about MSEs performance. According to the findings respondents had operated in the enterprises/ in the market starting from zero years to fifty years. The findings also show that the respondents had operated their business within the market for a long period hence it is more informed on the factors affecting performance of micro and small enterprises.

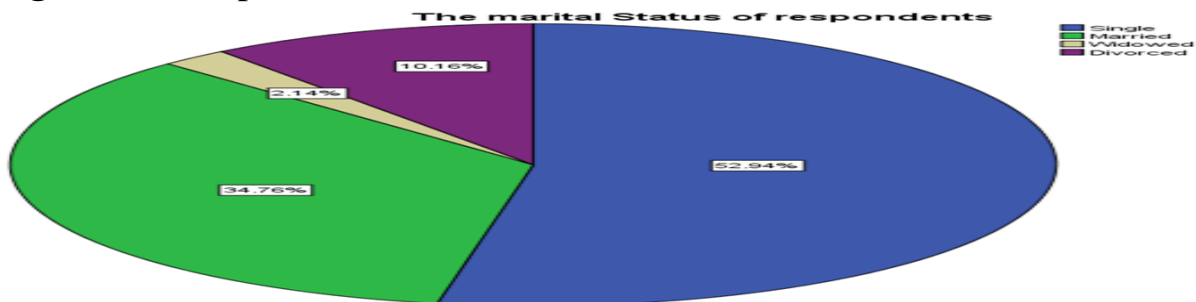
Figure 4.1: Educational Level of Respondents



Source: SPSS output from survey data, 2020

The above graph 4.1 show that the majority of 61 (32.6%) of owners/ managers/ were secondary school completed, about 41 (21.9%) of respondents were TVET (Level I-IV) holder, 32 (17.1%) of respondents were primary school completed, 17 (9.1) of respondents were who can't read and write and the rest three 16 (8.6%), 14 (7.5%), 6 (3.2%) were Diploma, Degree, and certificate holders respectively. This shows that the majority of the respondents were attained their education up to Degree level. These finding show that the respondents head attained different levels of education. Educational levels affects the management levels hence the higher education level attained by the businessmen the more it is assumed that they can make better decisions to grow their business. However this situation may vary from one business man to another.

Figure 4.2: Respondents Marital Status



Source: SPSS output from survey data, (2020)

As indicated on the figure 4.2 above, 99 (52.9%) of respondents were single, 65 (34.8%) were married, 19 (10.2%) were divorced and the last 4 (2.1%) of respondents were widowed. This also shows that the majority owners/ managers sample surveyed were single. This implies that majority of the respondents are youths. This may have been due to the fact that single persons

received support from their family which may have been important in motivating them to become successful entrepreneurs and to support themselves.

4.3 Characteristics of Enterprises

This section shows that the survey from micro and small enterprises collected data revealed that the enterprises characteristics. The level of frequency which was evaluated by response variables involved various enterprises characteristics, reasons to start business, form of business, type of business sectors, number of employees of enterprises, annual income of the year and total asset enterprises reported of micro and small enterprise. Thus, variables from descriptive results were described details below.

Table 4.2: Respondent reasons for starting the business

Reasons for starting the business			
		Frequency	Percent
Valid	To do business/money	49	26.2
	To get job opportunity	46	24.6
	Inspired by friends, family	27	14.4
	Inspired by government offices	53	28.3
	To keep me busy	4	2.1
	Others	8	4.3
	Total	187	100.0

Source: SPSS output from survey data, (2020)

As it is shown on table 4.2 above 53 (28.3%) of respondents were inspired by government offices to start business while 49 (26.2%) were to do business/money and 46 (24.6%) to get job opportunity. The others 27 (14.4 %), 8 (4.3%) and 4 (2.1%) of respondents were starts their business inspired by friends and family, to keep themselves busy and by other reasons respectively. As indicated on this table the majority of managers/ owners and others participated on the sample respondents were start doing business by the influence of government’s official and structures. The findings of this research indicate that MSEs are playing an important role in attracting the poor sectors of the society by providing employment opportunities by allowing them to earn better income, which they didn’t have before.

Table 4.3: Form of business

Form of business			
		Frequency	Percent
Valid	Partnership	113	60.4
	Sole proprietorship	34	18.2
	Share Company	8	4.3
	Cooperative organized by government	32	17.1
	Total	187	100.0

Source: SPSS output from survey data, (2020)

Table 4.3 above shows that most of the businesses were partnership 113 (60.4%), sole proprietorship 34 (18.2%), cooperatives 32 (17.1 %), and followed by share company 8 (4.3%). It confirmed that micro and small enterprises especially partnership were target to create job, to do business together and to learn from each other's which seek job opportunity and the base for industrial expansion in the area. This showed that the majority of the respondents were enjoying partnership which is better than sole proprietorships. This may be explained by the fact that majority of businesses in the MSE sector are not owned by individuals.

Table 4.4: The sector of the enterprise

The main activity (sector) of the enterprise			
		Frequency	Percent
Valid	Agriculture sector	102	54.5
	Service sector	19	10.2
	Trade sector	12	6.4
	Manufacturing sector	31	16.6
	Construction sector	15	8.0
	Mining sector	8	4.3
	Total	187	100.0

Source: SPSS output from survey data, (2020)

Table 4.4 proved that 105 (54.5%) involved in agriculture, especially fattening, farming and irrigation, the next form of business sector 31 (16.6%) were engaged on manufacturing, especially wood and metal work, the third business sector 19 (10.2%) were service sector. The others 15 (8%), 12 (6.4%), 8 (4.3%) were construction sector, trade sector, and mining sectors respectively. Thus, the agriculture sector has been comprises of majority enterprise in the study

area. In addition the various business types included in the study the more exhaustive in establishing the factors affecting performance of micro and small enterprises in the study area.

Table 4.5: The number of employees of enterprise

The number of employees of enterprise			
		Frequency	Percent
Valid	1 - 3 employees	52	27.8
	4 - 6 employees	78	41.7
	7 - 10 employees	31	16.6
	11 - 12 employees	13	7.0
	13- 15 employees	10	5.3
	above 15 employees	3	1.6
	Total	187	100.0

Source: SPSS output from survey data, (2020)

Regarding the number of employees of the respondents' enterprises the above table 4.5 presents that 78 (41.7%) of business enterprises have 4-6 employees, 52 (27.8%) have 1-3 employees, 31 (16.6%) have 7-10 employees and the rest 13 (7%), 10 (5.3%) and 3 (1.6%) enterprises have 11-12 employees, 13- 15 employees and >15 employees respectively. This indicated that MSEs at the woreda had not grown to a level of having many employees. This could explain slow growth or limited capability to expand.

Table 4.6: The source of capital to start your business

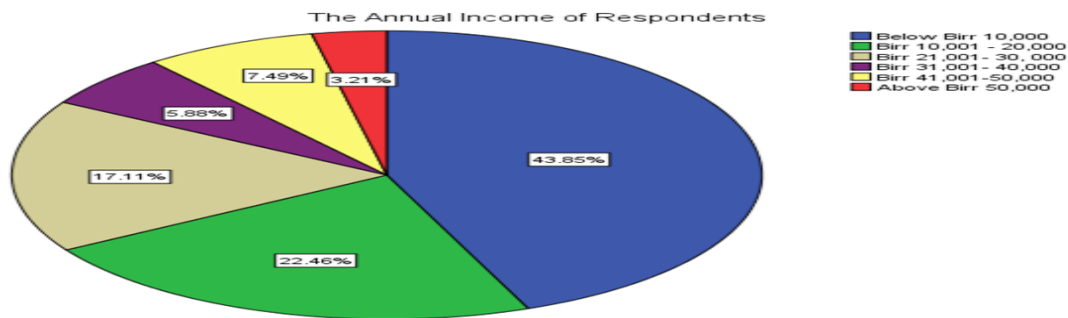
The source of capital to start your business			
		Frequency	Percent
Valid	Personal saving	41	21.9
	Family	78	41.7
	Micro finance Institutions	33	17.6
	Friends/Relatives	35	18.7
	Total	187	100.0

Source: SPSS output from survey data, (2020)

The above table 4.6 shows 78 (41.7 %) of respondents source of capital were family, 41 (21.9%) were personal saving, 35 (18.7 %) were friends/relatives and 33 (17.6%) were micro finance institutions. Thus the majority of respondents 78 (41.7 %) starts their business by the fund allocated from their family. In the woreda, informal sources play the greatest role in establishment of MSEs than the formal sources like microfinance and banks.

Besides, the results show that majority of MSEs in the study area uses informal sources. The formal financial institutions have not been able to meet the credit needs of the MSEs. According to majority respondents, the reason for emphasizing on informal sector is that the requirement of collateral/guarantor is relatively rare since such sources usually take place among parties with intimate knowledge and trust of each other. But the supply of credit from the informal institutions is often so limited to meet the credit needs of the MSEs. To wind up, such constraint of finance for MSE affects their performance directly or indirectly.

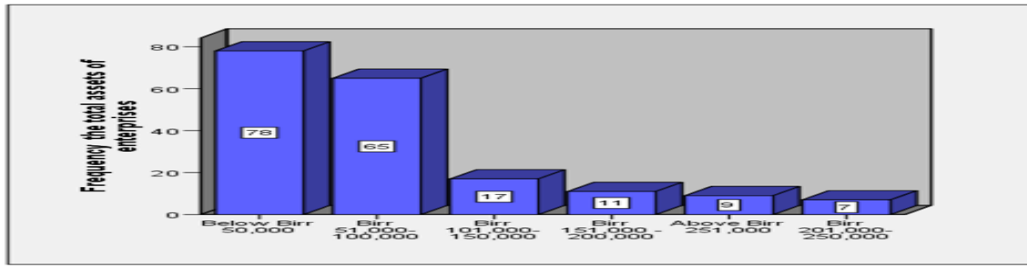
Figure 4.3: Annual income of Respondents



Source: SPSS output from survey data, (2020)

As indicated on the figure 4.3 above, 82 (43.9%) of respondents annual income were below Birr 10,000, about 42 (22.5%) were Birr 10,001 - 20,000 and 32 (17.1%) were between Birr 21,001- 30, 000 and the rest Birr 41,001-50,000, Birr 31,001- 40,000 and above Birr 50,000 were and 14 (7.5%), 11 (5.9%) and 6 (3.2%) annual income respectively. The majority of respondents' enterprises annual income were 82 (43.9%) have got the lowest income in accordance with developed country. According to the responses from the majority of respondents, the income effect may have positive or negative consequence on small business, depending on many factors. The income effect relates to how a consumer spends money based on an increase or decrease in his income. An increase in income results in demanding more services and goods, thus spending more money. A decrease in income results in the exact opposite. In general when incomes are lower, less spending occurs, and business is hurt by the effect.

Figure 4.4: Total Assets of Respondents



Source: SPSS output from survey data, (2020)

Finally, as far as the total assets of the respondent is concerned, the above graph 4.4 indicated that 78 (41.7 %) of respondents' enterprises total asset were below Birr 50,000. In addition to this 65 (34.8%) of respondents total asset were between Birr 51,000-100,000, 17 (9.1%) of respondents total assets were between Birr 101,000- 150,000, and also Birr 151,000 - 200,000, above Birr 251,000 and Birr 201,000-250,000 were 11 (5.9%), 9 (4.8%), and 7 (3.7%) respectively. This data also indicates that majority of enterprises 78 (41.7 %) total assets are very low which also shows that as most of the enterprises are at micro level. According to the findings the values of enterprises' sales or revenues relative to the values of its assets. This indicates that the higher the asset, the more efficient and enterprises are at generating revenue from its assets.

4.4 The Factors Affecting Performance of MSEs

According to Burns & Bush (2006) descriptive analysis represented the transforming of raw data into a form that enable researcher to understand and interpret easier in terms of rearranging, ordering and manipulating data in order to provide descriptive information. Calculating averages, frequency, mode, mean and standard deviations are commonly used to summarize the data. The mean, range and standard deviation were calculated for the interval scale of independent variables (job attitude, management, accedes to finance, technology, infrastructure, market linkage) and dependent variable (performance of MSEs).

As described earlier, the questions related with both the dependent and independent variables were prepared using a Likert scale. That means, from each perspective questions were prepared in the form of ordinal scale.

As per Harry (2012), to properly analyse Likert data, one must understand the measurement scale represented by each. Numbers assigned to Likert-type items express a "greater than" relationship; however, how much greater is not implied. Because of these conditions, Likert type items fall into the ordinal measurement scale. Descriptive statistics recommended for ordinal measurement scale items include a mode or median for central tendency and frequencies for variability. Additional analysis procedures appropriate for ordinal scale items include the chi-square measure of association, Kendall Tau B, and Kendall Tau C.

Likert scale data, on the other hand, are analysed at the interval measurement scale. Likert scale items are created by calculating a composite score (sum or mean) from four or more type Likert-type items; therefore, the composite score for Likert scales should be analysed at the interval measurement scale. Descriptive statistics recommended for interval scale items include the mean for central tendency and standard deviations for variability. Additional data analysis procedures appropriate for interval scale items would include the Pearson's correlation (r), t -test, ANOVA and regression procedures.

Hence, from this study point of view, the raw data collected from each construct of the variables; job attitude, management, access to finance, technology, infrastructure, market linkage and MSEs performance are the form of ordinal scale. But for the sake of simplicity of analysis the variables transformed into interval scale leading the researcher to obtain a single variable for the seven constructs (job attitude, management, access to finance, technology, infrastructure, market linkage) and (performance of MSEs).

In order to explore the perception of MSEs owner/manager on every variable according to the response of the study, means and standard deviations for the independent variables (job attitude, management, accedes to finance, technology, infrastructure and market linkage) were calculated. But, while making interpretation of the results of mean and standard deviation the scales were reassigned as follows to make the interpretation easy and clear (Al-Sayaad, Rabea, & Samrah,2006).As cited by (Bassam,2013).

Table 4.7: Five Scaled Likert Criterion

No.	Mean range	Response Option
1	1 to 1.80	Strongly disagree
2	1.8 to 2.6	Disagree
3	2.6to 3.4	Neutral
4	3.4 to 4.20	Agree
5	4.2 to 5.00	Strongly Agree

Source: Al-Sayaad et al. (2006, as cited by Bassam, 2013)

4.4.1 Results of Measures of Descriptive Statistics

The results for descriptive statistics obtained from the sample of respondents are shown in the following tables.

Table 4.8: Respondents' perception towards job attitude

Items	Mean	Std. Deviation
Micro and small enterprise work is best and preferable work in generating income	4.00	1.27000
Encouraging micro and small enterprises to have attitude of earning money by hard work is best work culture	4.14	1.05190
Micro and small enterprise work is business activity that can produce entrepreneurs and competitive business person	3.81	1.01552
Sometimes you awakening at night thinking ahead to the next day work can affect the performance of micro and small enterprises	3.97	1.25909
An attitude anybody has for his/ her work and job will affect the business performance	3.52	.94068
In micro and small enterprise work the amount of interest and cooperation you have will affect micro and small enterprises performance	3.82	1.22074
Micro and small enterprise work seems boring but is the way to recognition and being wealthy	3.96	.97478
Micro and small enterprise work is a place where you learn how to work with others and the reason for best performance	3.67	1.34554
Micro and small enterprise work is has a great advantage than working alone to bring business performance	3.61	1.36444
Job satisfaction in micro and small enterprise will be cause for business performance	3.42	1.06199

Micro and small enterprise job will allows you to grow and develop as a person will cause better performance	4.14	1.18153
In micro and small enterprises the way the public and the business society feel about the job will affect its performance	4.15	1.09373
Grand mean	3.85	

Source: SPSS survey, 2020

According to Table 4.10, the results show that the mean and standard deviation values of the independent variable. Mean value provides the idea about central tendency of the values of a variable. The number of observations of each item is 187, and the above table summarizes the level of agreements of the respondents towards the job attitude. Standard deviation measures the dispersion of a given data set. It indicates how close to the average the data is clustered. Thus, the values of standard deviations in the above table indicate the variation of the response of the respondents regarding job attitude of the enterprise.

First, respondents were asked whether the micro and small enterprise work is best and preferable work in generating income. The result of the study shows mean score 4.00 with standard deviation of 1.27000. This implies that most of the respondents were agree on the micro and small enterprise work is best and preferable work in generating income.

Second, participants were asked whether micro and small enterprises have attitude of earning money by hard work is best work culture. The result of the study shows mean score 4.14 with the standard deviation of 1.05190. This implies that most of the respondents were agree on the micro and small enterprises have attitude of earning money by hard work is best work culture.

Third, respondents were asked whether micro and small enterprise work is business activity that can produce entrepreneurs and competitive business person. The result of the respondents shows mean score 3.81 with standard deviation of 1.01552 which indicates that most of the respondents were agree on the micro and small enterprise work is business activity that can produce entrepreneurs and competitive business person.

Four, the participants were asked whether the MSEs owner/manager sometimes awakening at night thinking ahead to the next day work can affect the performance of micro and small enterprises. The result of the response shows mean score 3.97 with standard deviation of 1.25909. This implies that most of the respondents were agreed with MSEs owner/manager

sometimes awakening at night thinking ahead to the next day work can affect the performance of micro and small enterprises.

Five, the participants were asked whether an attitude anybody has for his/ her work and job will affect the business performance. The result of the response shows mean score 3.52 with standard deviation of 0.94068 and which implies that most of the respondents were agreed with an attitude anybody has for his/ her work and job will affect the business performance.

Six, the participants were asked whether the amount of interest and cooperation MSEs members have will affect micro and small enterprises performance. The result of the response shows mean score 3.82 with standard deviation 1.22074. This implies that most of the respondents were agreed with the amount of interest and cooperation MSEs members have affected micro and small enterprises performance.

Seven, the respondents were asked whether micro and small enterprise work seems boring and the way to recognition and being wealthy. The result of the response shows mean score 3.96 with standard deviation of 0.97478. This implies that most of the respondents were agreed with micro and small enterprise work seems boring and the way to recognition and being wealthy.

Eight, the participants were asked whether the micro and small enterprise work is a place where they learn how to work with others and the reason for best performance. The result of the response shows mean score 3.67 with standard deviation of 1.34554. This implies that most of the respondents were agreed with micro and small enterprise work is a place where they learn how to work with others and the reason for best performance.

Nine, the respondents were asked whether the micro and small enterprise work has a great advantage than working alone to bring business performance. The result of the response shows mean score 3.61 with standard deviation 1.36444. This implies that most of the respondents were agreed with the micro and small enterprise work has a great advantage than working alone to bring business performance.

Ten, the participants were asked whether job satisfaction in micro and small enterprise will be cause for business performance. The result of the response shows mean score 3.42 with standard deviation 1.06199. This implies that most of the respondents were agreed with job satisfaction in micro and small enterprise will be cause for business performance.

Eleven, the respondents were asked whether the micro and small enterprise job will allows to grow and develop as a person will cause better performance. The result of the response shows mean score 4.14 with standard deviation of 1.18153. This implies that most of the respondents were agreed with micro and small enterprise job will allows to grow and develop as a person will cause better performance.

Twelve, the participants were asked whether the way the public and the business society feel about the job will affect its performance. The result of the response shows mean score 4.15 with standard deviation 1.09373. This implies that most of the respondents were agreed with the way the public and the business society feel about the job will affect its performance.

In general, the average mean score of response of the MSEs owner/manager for the independent variable- job attitude is 3.85. Therefore, the MSEs should give emphasis on building and delivering positive job attitude between MSEs members and towards their micro and small enterprises.

Table 4.9: Respondent’s perception towards management

Items	Mean	Std. Deviation
Preparing a daily or weekly “ To do” list in an enterprise will increase the enterprises’ performance	3.85	1.09028
Adapting products or services to satisfy customers will have positive effect on an enterprises’ performance	3.94	.96262
Micro and small enterprises which has good manager and working for healthier communication within employees will have good performance	4.09	.65692
The manager/ members of an enterprise attended training and development on management skill is starting point for better performance	3.44	1.48879
When manager addressed unsolved problems in an enterprises it is on the way to better performance	3.43	1.27009
The system of collecting customers opinions and continuous improvement in handling customers’ needs will increase enterprises’ performance	3.64	1.37314
Understanding the goals, policies, and objectives of micro and small enterprise will affect its performance	3.39	1.15637
The enterprise will be perform well when people and resources are managed effectively	3.66	1.26953
Grand mean	3.68	

According to Table 4.9, the results show that the mean and standard deviation values of the independent variable. Mean value provides the idea about central tendency of the values of a variable. The number of observations of each variable is 187, and the above table summarizes the level of agreements of the respondents towards the management. Standard deviation measures the dispersion of a given data set. It indicates how close to the average the data is clustered. Thus, the values of standard deviations in the above table indicate the variation of the response of the MSEs owner/manager regarding management of the enterprise.

First, respondents were asked whether preparing a daily or weekly “to do” list in an enterprise will increase the enterprises’ performance. The result of the study shows mean score 3.85 with standard deviation of 1.09028. This implies that most of the respondents were agreed on preparing a daily or weekly “to do” list in an enterprise will increase the enterprises’ performance.

Second, participants were asked whether adapting products or services to satisfy customers will have effect on an enterprises’ performance. The result of the study shows mean score 3.94 with the standard deviation 0.96262 and this implies that most of the respondents were agreed on adapting products or services to satisfy customers will have effect on an enterprises’ performance.

Third, respondents were asked whether micro and small enterprises which has good manager and working for healthier communication within employees will have good performance. The result of the respondents shows mean score 4.09 with standard deviation of 0.65692 which indicates that most of the respondents were agreed on micro and small enterprises which has good manager and working for healthier communication within employees will have good performance.

Four, the participants were asked whether the manager/ members of an enterprise attended training and development on management skill is starting point for better performance. The result of the response shows mean score 3.44 with standard deviation of 1.48879. This implies that most of the respondents were agreed with the manager/ members of an enterprise attended training and development on management skill is starting point for better performance.

Five, the participants were asked whether the manager addressed unsolved problems in an enterprises is on the way to better performance. The result of the response shows mean score 3.43 with standard deviation 1.27009; it is within the range of 3.4 to 4.20. This implies that most of the respondents were agreed with the manager addressed unsolved problems in an enterprises is on the way to better performance.

Six, the participants were asked whether the system of collecting customers opinions and continuous improvement in handling customers' needs will increase enterprises' performance. The result of the response shows mean score 3.64 with standard deviation of 1.37314. This implies that most of the respondents were agreed with the system of collecting customers' opinions and continuous improvement in handling customers' needs will increase enterprises' performance.

Seven, the respondents were asked whether understanding the goals, policies, and objectives of micro and small enterprise will affect its performance. The result of the response shows mean score 3.39 with standard deviation of 1.15637. This implies that most of the respondents were neutral with understanding the goals, policies, and objectives of micro and small enterprise will affect its performance.

Eight, the participants were asked whether the enterprise will be perform well when people and resources are managed effectively. The result of the response shows mean score 3.66 with standard deviation of 1.26953. This implies that most of the respondents were agreed with micro and small enterprise work is a place where they learn how to work with others and the reason for best performance.

In general, the average mean score of response of the MSEs owner/manager for the independent variable- management is 3.68. Therefore, based on the results obtained from the respondents, the stakeholders and the MSEs should give emphasis on delivering training on business management for MSEs members and for the all micro and small enterprises.

Table 4.10: Respondent’s perception towards access to finance

Items	Mean	Std. Deviation
Setting specific financial goals for future will increase financial performance of the enterprise	3.83	1.28512
Writing down where and how money spent will have effect on performance of the enterprise	3.81	1.24962
Insufficient loan size from financial institutions will have effect on performance of the enterprise	4.25	.98698
Inadequate financial institution that provide debt with less interest can be factor for low performance of the enterprise	4.24	1.01115
When loan application procedures of lending institutions are too complicated, there could be poor performance of the enterprise	4.05	.90504
When Financial institutions provide high interest requirement the enterprise will be obligated to leave the application	4.39	.97414
Because of collateral is a mandatory requirement in getting loan from financial institution enterprise will be caused for poor performance	4.19	.95902
Saving money is more satisfying to increase enterprise financial performance	3.48	1.05931
Keeping financial record is too time consuming that may cause poor financial management	3.42	1.35921
As long as one gets loan and the length of time it will take to pay back it may cause financial problems on enterprise performance	3.42	1.18180
Micro and small enterprises have insufficient working capital and this makes the enterprises poor financial performance	3.33	1.37523
Government subsidies and debt funding are not available for new and growing enterprises and this leads to enterprise poor performance	3.94	1.63869
Grand mean	3.86	

According to Table 4.10, the results show that the mean and standard deviation values of the independent variable. Mean value provides the idea about central tendency of the values of a variable. The number of observations of each variable is 187, and the above table summarizes the level of agreements of the respondents towards the access to finance. Standard deviation measures the dispersion of a given data set. It indicates how close to the average the data is clustered. Thus, the values of standard deviations in the above table indicate the variation of the response of the MSEs owner/manager regarding access to finance of the enterprise.

First, respondents were asked whether setting specific financial goals for future will increase financial performance of the enterprise. The result of the study shows mean score 3.83 with standard deviation of 1.28512. This implies that most of the respondents were agreed on the setting specific financial goals for future will increase financial performance of the enterprise.

Second, participants were asked whether writing down where and how money spent will have effect on performance of the enterprise. The result of the study shows mean score 3.81 with the standard deviation of 1.24962. This implies that most of the respondents were agreed on the writing down where and how money spent will have effect on performance of the enterprise.

Third, respondents were asked whether insufficient loan size from financial institutions will have effect on performance of the enterprise. The result of the respondents shows mean score 4.25 with standard deviation of 0.98698 and it indicates that most of the respondents were strongly agreed on the insufficient loan size from financial institutions will have negative effect on performance of the enterprise.

Four, the participants were asked whether inadequate financial institution that provide debt with less interest can be factor for low performance of the enterprise. The result of the response shows mean score 4.24 with standard deviation 1.01115. This implies that most of the respondents were strongly agreed with inadequate financial institution that provide debt with less interest can be factor for low performance of the enterprise

Five, the participants were asked whether loan application procedures of lending institutions are too complicated and there could be poor performance of the enterprise. The result of the response shows mean score 4.05 with standard deviation 0.90504. This implies that most of the respondents were agreed with loan application procedures of lending institutions are too complicated and there could be poor performance of the enterprise.

Six, the participants were asked whether financial institutions provide high interest requirement and the enterprise will be obligated to leave the application. The result of the response shows mean score 4.39 with standard deviation 0.97414. This implies that most of the respondents were strongly agreed with the financial institutions provide high interest requirement and the enterprise will be obligated to leave the application.

Seven, the respondents were asked whether because of collateral is a mandatory requirement in getting loan from financial institution enterprise will be caused for poor performance. The result of the response shows mean score 4.19 with standard deviation of 0.95902. This implies that most of the respondents were agreed with because of collateral is a mandatory requirement in getting loan from financial institution enterprise will be caused for poor performance.

Eight, the participants were asked whether saving money is more satisfying to increase enterprise financial performance. The result of the response shows mean score 3.48 with standard deviation 1.05931. This implies that most of the respondents were agreed with saving money is more satisfying to increase enterprise financial performance.

Nine, the respondents were asked whether keeping financial record is too time consuming that may cause poor financial management. The result of the response shows mean score 3.42 with standard deviation 1.35921. This implies that most of the respondents were agreed with the keeping financial record is too time consuming that may cause poor financial management.

Ten, the participants were asked whether as long as one gets loan and the length of time it will take to pay back it may cause financial problems on enterprise performance. The result of the response shows mean score 3.42 with standard deviation of 1.18180. This implies that most of the respondents were agreed with as long as one gets loan and the length of time it will take to pay back it may cause financial problems on enterprise performance.

Eleven, the respondents were asked whether the micro and small enterprises have insufficient working capital and this makes the enterprises poor financial performance. The result of the response shows mean score 3.33 with standard deviation of 1.37523. This implies that most of the respondents were neutral the micro and small enterprises have insufficient working capital and this makes the enterprises poor financial performance

Twelve, the participants were asked whether government subsidies and debt funding are not available for new and growing enterprises and this leads to enterprise poor performance. The result of the response shows mean score 3.94 with standard deviation 1.63869. This implies that most of the respondents were agreed with the government subsidies and debt funding are not available for new and growing enterprises and this leads to enterprise poor performance.

In general, the average mean score of response of the MSEs owner/manager for the independent variable- access to finance is 3.86. Therefore, the MSEs financial institutions, Stakeholders and the MSEs should give emphasis on providing sufficient loan size and financial management is needed for MSEs members and owners.

Table 4.11: Respondent’s perception towards Technology

Items	Mean	Std. Deviation
In everyday life availability of technology will increase business performance of an enterprise	4.08	1.05697
Government influence on technology can cause effect on micro and small enterprises performance	4.44	.93842
Using obsolete technology will bring performance of micro and small enterprises delay	4.02	1.01047
The available chance to get appropriate machinery and equipment in business area will increase micro and small enterprises performance	4.09	1.18745
The chance to learn how to use new kinds of technology will have positive effect on micro and small enterprises performance	4.38	1.26210
When the level of customer satisfaction is related to technology it can cause to enterprise better performance	4.02	1.27405
The delivery of products and services are more satisfying when it is related to technology	4.13	1.38668
Poor technical support is will have effect on technological performance	4.28	1.16854
Diversity in technology prompts enterprises to multi-product strategy and better business performance	4.25	1.01515
Technology is a key to business	4.46	.91147
Grand mean	4.21	

Source: SPSS Output, 2020

According to Table 4.11, the results show that the mean and standard deviation values of the independent variable. Mean value provides the idea about central tendency of the values of a variable. The number of observations of each variable is 187, and the above table summarizes the level of agreements of the respondents towards the technology. Standard deviation measures the dispersion of a given data set. It indicates how close to the average the data is clustered. Thus, the values of standard deviations in the above table indicate the variation of the response of the MSEs owner/manager regarding access to technology of the enterprise.

First, respondents were asked whether in everyday life availability of technology will increase business performance of an enterprise. The result of the study shows mean score 4.08 with standard deviation of 1.05697. This implies that most of the respondents were agreed on the in everyday life availability of technology will increase business performance of an enterprise.

Second, participants were asked whether government influence on technology can cause effect on micro and small enterprises performance. The result of the study shows mean score 4.44 with the standard deviation 0.93842. This implies that most of the respondents were strongly agreed on the government influence on technology can cause positive effect on micro and small enterprises performance.

Third, respondents were asked whether using obsolete technology will bring performance of micro and small enterprises delay. The result of the respondents shows mean score 4.02 with standard deviation 1.01047 which indicates that most of the respondents were agreed on the using obsolete technology will bring performance of micro and small enterprises delay.

Four, the participants were asked whether the available chance to get appropriate machinery and equipment in business area will increase micro and small enterprises performance. The result of the response shows mean score 4.09 with standard deviation 1.18745. This implies that most of the respondents were agreed with the available chance to get appropriate machinery and equipment in business area will increase micro and small enterprises performance

Five, the participants were asked whether the chance to learn how to use new kinds of technology will have effect on micro and small enterprises performance. The result of the response shows mean score 4.38 with standard deviation 1.26210. This implies that most of the respondents were strongly agreed with the chance to learn how to use new kinds of technology will have effect on micro and small enterprises performance.

Six, the participants were asked whether the level of customer satisfaction is related to technology it can cause to enterprise better performance. The result of the response shows mean score 4.02 with standard deviation of 1.27405. This implies that most of the respondents were agreed with the level of customer satisfaction is related to technology it can cause to enterprise better performance.

Seven, the respondents were asked whether the delivery of products and services are more satisfying when it is related to technology. The result of the response shows mean score 4.13 with standard deviation of 1.38668. This implies that most of the respondents were agreed with the delivery of products and services are more satisfying when it is related to technology.

Eight, the participants were asked whether poor technical support is will have effect on technological performance. The result of the response shows mean score 4.28 with standard deviation of 1.16854. This implies that most of the respondents were strongly agreed with poor technical support is will have effect on technological performance.

Nine, the respondents were asked whether diversity in technology prompts enterprises to multi-product strategy and better business performance. The result of the response shows mean score 4.25 with standard deviation 1.01515. This implies that most of the respondents were strongly agreed with the diversity in technology prompts enterprises to multi-product strategy and better business performance.

Ten, the participants were asked whether technology is a key to business. The result of the response shows mean score 4.46 with standard deviation 0.91147. This implies that most of the respondents were strongly agreed with technology is a key to business.

In general, the average mean score of response from the MSEs owner/manager for the independent variable- technology is 4.21. Therefore, the MSEs Stakeholders and the MSEs should give emphasis on providing new technology that is important for the performance of MSEs and development business in the study area.

Table 4.12: Respondent’s perception towards Infrastructure

Items	Mean	Std. Deviation
Insufficient social networking has business effect to distribute and transport products and services to customers	4.03	1.20886
Infrastructure affects decision to work and will have effect with enterprises performance	4.21	1.02131
Communication service is significant problem in business that will bring better business performance	4.23	1.07175
Insufficient electric power, roads and water will cause micro and	4.37	1.01546

small enterprises poor business performance		
Business objectives cannot be achieved without infrastructure	3.93	1.11224
An enterprise enjoys insufficient and slow transportation service which leads to poor business performance	4.52	.91182
Grand mean	4.21	

Source: SPSS Output, 2020

According to Table 4.12, the results show that the mean and standard deviation values of the infrastructure (independent variable). Mean value provides the idea about central tendency of the values of a variable. The number of observations of each variable is 187, and the above table summarizes the level of agreements of the respondents towards the infrastructure. Standard deviation measures the dispersion of a given data set. It indicates how close to the average the data is clustered. Thus, the values of standard deviations in the above table indicate the variation of the response of the MSEs owner/manager regarding infrastructure of the enterprise.

First, respondents were asked whether insufficient social networking has business effect to distribute and transport products and services to customers. The result of the study shows mean score 4.03 with standard deviation of 1.20886. This implies that most of the respondents were agreed on the insufficient social networking has business effect to distribute and transport products and services to customers.

Second, participants were asked whether infrastructure affects decision to work and will have positive relationship with enterprises performance. The result of the study shows mean score 4.21 with the standard deviation 1.02131. This implies that most of the respondents were strongly agreed on the infrastructure affects decision to work and will have effect with enterprises performance.

Third, respondents were asked whether communication service is significant problem in business that will bring better business performance. The result of the respondents shows mean score 4.23 with standard deviation 1.07175 which indicates that most of the respondents were strongly agreed on the communication service is significant problem in business that will bring better business performance

Four, the participants were asked whether the insufficient electric power, roads and water will cause micro and small enterprises poor business performance. The result of the response shows mean score 4.37 with standard deviation 1.01546. This implies that most of the respondents were strongly agreed with the insufficient electric power, roads and water will cause micro and small enterprises poor business performance.

Five, the participants were asked whether business objectives cannot be achieved without infrastructure. The result of the response shows mean score 3.93 with standard deviation of 1.11224. This implies that most of the respondents were agreed with the business objectives cannot be achieved without infrastructure.

Six, the participants were asked whether an enterprise enjoys insufficient and slow transportation service which leads to poor business performance. The result of the response shows mean score 4.52 with standard deviation 0.91182. This implies that most of the respondents were strongly agreed with an enterprise enjoys insufficient and slow transportation service which leads to poor business performance.

In general, the average mean score of response from the MSEs owner/manager for the independent variable- infrastructure is 4.21. Therefore, the MSEs Stakeholders and the MSEs should give emphasis on providing infrastructure that is important for the performance of MSEs and development business in the study area.

Table 4.13: Respondent’s perception towards market linkage

Items	Mean	Std. Deviation
Market linkage network has a great effect on enterprises better performance	4.59	1.03983
Searching for new market is too difficult and will leads to poor business performance	4.12	1.15684
Available market information will have effect on enterprises better performance	4.25	.93233
An enterprise which focused on demand forecasting in its situations will achieve better performance	3.50	1.11863
The enterprise with poor customer relationship and handling will not bring better business performance	3.65	1.16952
The access of promotion to attract potential users will affect business performance	4.17	1.07057
The enterprise which enjoy continuous improvement of product in an enterprise	3.58	1.37071

will achieve better performance		
Weak market linkage between micro and small enterprise & medium sized enterprises will cause poor business performance	3.99	1.11922
Weak market linkage between micro and small enterprise & private institutions will cause poor business performance	4.05	1.08349
Weak market linkage between micro and small enterprise & government Institution will cause poor business performance	4.32	.89533
Without government support on government regulations that are relevant to business it may difficult to achieve the desired performance	4.12	1.17070
Grand mean	4.03	

According to Table 4.13, the results show that the mean and standard deviation values of the independent variable. Mean value provides the idea about central tendency of the values of a variable. The number of observations of each variable is 187, and the above table summarizes the level of agreements of the respondents towards the market linkage. Standard deviation measures the dispersion of a given data set. It indicates how close to the average the data is clustered. Thus, the values of standard deviations in the above table indicate the variation of the response of the MSEs owner/manager regarding market linkage of the enterprise.

First, respondents were asked whether market linkage network has a great effect on enterprises better performance. The result of the study shows mean score 4.59 with standard deviation of 1.03983. This implies that most of the respondents were strongly agreed on the market linkage network has a great effect on enterprises better performance.

Second, participants were asked whether searching for new market is too difficult and will leads to poor business performance. The result of the study shows mean score 4.12 with the standard deviation of 1.15684. This implies that most of the respondents were agreed on the searching for new market is too difficult and will leads to poor business performance.

Third, respondents were asked whether available market information will have effect on enterprises better performance The result of the respondents shows mean score 4.25 with standard deviation of 0.93233and indicates that most of the respondents were strongly agreed on the available market information will have effect on enterprises better performance.

Four, the participants were asked whether an enterprise which focused on demand forecasting in its situations will achieve better performance. The result of the response shows mean score 3.50

with standard deviation 1.11863. This implies that most of the respondents were agreed with an enterprise which focused on demand forecasting in its situations will achieve better performance.

Five, the participants were asked whether the enterprise with poor customer relationship and handling will not bring better business performance. The result of the response shows mean score 3.65 with standard deviation 1.16952. This implies that most of the respondents were agreed with the enterprise with poor customer relationship and handling will not bring better business performance.

Six, the participants were asked whether the access of promotion to attract potential users will affect business performance. The result of the response shows mean score 4.17 with standard deviation 1.07057. This implies that most of the respondents were agreed with the access of promotion to attract potential users will affect business performance.

Seven, the respondents were asked whether the enterprise which enjoy continuous improvement of product in an enterprise will achieve better performance. The result of the response shows mean score 3.58 with standard deviation 1.37071. This implies that most of the respondents were agreed with the enterprise which enjoy continuous improvement of product in an enterprise will achieve better performance.

Eight, the participants were asked whether weak market linkage between micro and small enterprise & medium sized enterprises will cause poor business performance. The result of the response shows mean score 3.99 with standard deviation 1.11922. This implies that most of the respondents were agreed with weak market linkage between micro and small enterprise & medium sized enterprises will cause poor business performance

Nine, the respondents were asked whether weak market linkage between micro and small enterprise & private institutions will cause poor business performance. The result of the response shows mean score 4.05 with standard deviation 1.08349. This implies that most of the respondents were strongly agreed with the weak market linkage between micro and small enterprise & private institutions will cause poor business performance.

Ten, the participants were asked whether weak market linkage between micro and small enterprise & government institution will cause poor business performance The result of the response shows mean score 4.32 with standard deviation 0.89533. This implies that most of the

respondents were strongly agreed with weak market linkage between micro and small enterprise & government institution will cause poor business performance.

Eleven, the participants were asked whether without government support on government regulations that are relevant to business it may difficult to achieve the desired performance. The result of the response shows mean score 4.12 with standard deviation 1.17070. This implies that most of the respondents were agreed with without government support on government regulations that are relevant to business it may difficult to achieve the desired performance.

In general, the average mean score of response from the MSEs owner/manager for the independent variable- market linkage is 4.03. Therefore, the MSEs Stakeholders and the MSEs should give emphasis on creating market linkage in all direction that is important for the performance of MSEs and development business in the study area.

Table 4.14: Respondent’s perception towards performance of MSEs

Items	Mean	Std. Deviation
Job attitude has significant effect on performance of micro and small enterprises	4.12	1.00247
Management has significant effect on Performance of micro and small enterprises.	3.89	1.13845
Access to finance has significant impact on Performance of micro and small enterprises	4.11	1.01240
Technology has significant effect on Performance micro and small enterprises	3.94	.98470
Infrastructure has significant impact on Performance of micro and small enterprises	4.28	1.01064
Market linkage has significant impact on Performance of micro and small enterprises	4.41	.98773
The profit of enterprise has significant impact on Performance of micro and small enterprises	4.09	1.02198
The asset of enterprise has significant effect on Performance of micro and small enterprises	4.00	.98919
The number employees of enterprise has significant effect on Performance of micro and small enterprises	4.17	.88148
Grand Mean	4.11	

Source: SPSS Output, 2020

According to Table 4.14, the results show that the mean and standard deviation values of the dependent variable. Mean value provides the idea about central tendency of the values of a variable. The number of observations of each variable is 187, and the above table summarizes the level of agreements of the respondents towards the performance of MSEs. Standard deviation

measures the dispersion of a given data set. It indicates how close to the average the data is clustered. Thus, the values of standard deviations in the above table indicate the variation of the response of the MSEs owner/manager regarding performance of MSEs.

First, respondents were asked whether job attitude has significant effect on performance of micro and small enterprises. The result of the study shows mean score 4.12 with standard deviation of 1.00247. This implies that most of the respondents were agreed on the job attitude has significant effect on performance of micro and small enterprises.

Second, participants were asked whether management has significant effect on Performance of micro and small enterprises. The result of the study shows mean score 3.89 with the standard deviation 1.13845. This implies that most of the respondents were agreed on the management has significant effect on performance of micro and small enterprises.

Third, respondents were asked whether access to finance has significant effect on performance micro and small enterprises. The result of the respondents shows mean score 4.11 with standard deviation 1.01240 and indicates that most of the respondents were strongly agreed on the access to finance has significant effect on performance micro and small enterprises.

Four, the participants were asked whether technology has significant effect on performance micro and small enterprises. The result of the response shows mean score 3.94 with standard deviation 0.98470. This implies that most of the respondents were agreed with technology has significant effect on performance micro and small enterprises.

Five, the participants were asked whether the infrastructure has significant impact on performance of micro and small enterprises. The result of the response shows mean score 4.28 with standard deviation 1.01064. This implies that most of the respondents were strongly agreed with the infrastructure has significant impact on performance of micro and small enterprises.

Six, the participants were asked whether market linkage has significant impact on performance of micro and small enterprises. The result of the response shows mean score 4.41 with standard deviation 0.98773. This implies that most of the respondents were agreed with the market linkage has significant impact on performance of micro and small enterprises

Seven, the respondents were asked whether the profit of enterprise has significant impact on Performance of micro and small enterprises. The result of the response shows mean score 4.09

with standard deviation 1.02198. This implies that most of the respondents were agreed with the profit of enterprise has significant impact on Performance of micro and small enterprises.

Eight, the participants were asked whether the asset of enterprise has significant effect on performance of micro and small enterprises. The result of the response shows mean score 4.00 with standard deviation 0.98919. This implies that most of the respondents were agreed with the asset of enterprise has significant effect on Performance of micro and small enterprises.

Nine, the respondents were asked whether the number employees of enterprise has significant effect on performance of micro and small enterprises. The result of the response shows mean score 4.17 with standard deviation of 0.88148. This implies that most of the respondents were agreed with the number employees of enterprise has significant effect on performance of micro and small enterprises.

In general, the average mean score of response of the respondent for the dependent variable-MSEs Performance is 4.11 and this shows respondents agree on the variables displayed.

According to the findings from the descriptive statistics on variables of the study, the scale management has the least mean of all (i.e. 3.68) the next least mean values are (3.85, 3.86, 4.03, 4.11, 4.21, 4.21) for job attitude, access to finance, market linkage, MSEs performance, infrastructure, and technology respectively). Most of the MSEs owners/managers are agreed on the questions factors affecting performance of MSEs. Therefore, this has implication to the micro and small enterprises that it has to exert the possible effort up and until factors are solved in all variables.

4.5 Inferential statistics

Inferential analysis is concerned with the various tests of significance for testing hypotheses in order to determine what validity data can be said to conclusions. It is also concerned with the estimation of population values. It is mainly on the basis of inferential analysis that the task of interpretation (i.e., the task of drawing inferences and conclusions) was performed.

Pearson's correlation and multiple linear regressions are the main inferential statistical methods employed in this study to analyze the relationships between the dependent variable (MSEs Performance) and the independent Variables (job attitude, management, access to finance, technology, infrastructure and market linkage on performance of MSEs).

4.5.1 The Relationship between Independent variables and MSEs Performance

Correlations are the measure of the linear relationship between two variables. A correlation coefficient has a value ranging from -1 to +1. Values closer to the absolute value of 1 indicate that there is a strong relationship between the variables being correlated whereas values closer to 0 indicates that there is little or no linear relationship. It is extremely useful for getting idea of the relationships b/n independent variables and the dependent variable, and for a preliminary look for multi Co linearity (Field, 2009).

According to (Hinkle and others, 2003) the rule of thumb for interpreting the size of a correlation coefficient is as indicated below in the table.

Table 4.15: Rule of Thumb for Interpreting the Size of a Correlation Coefficient

Size of Correlation	Interpretation
.90 to 1.00 (-.90 to -1.00)	Very high positive (negative) correlation
.70 to .90 (-.70 to -.90)	High positive (negative) correlation
.50 to .70 (-.50 to -.70)	Moderate positive(negative) correlation
.30 to .50 (-.30 to -.50)	Low positive (negative) correlation
.00 to .30 (-.00 to -.30)	Little if any correlation

Source: Hinkle and others, 2003

Therefore, using the above table 4.15 and SPSS output of the survey, the below results of the independent and dependent variables is going to be discussed in detail basis.

Table 4.16: Results showing correlation analysis

s.no		MSEs P.	X1	X2	X3	X4	X5	X6
1	MSEs performance	1						
2	Job attitude	.629**	1					
3	Management	.806**	.477**	.658**	1			
4	Access to finance	.835**	.564**	.429**	.654**	1		
5	Technology	.716**	.640**	.761**	.748**	.683**	1	
6	Infrastructure	.918**	.570**	.828**	.775**	.563**	.882**	1
7	Market Linkage	.906**	.439**	.806**	.835**	.716**	.918**	.906**
**. Correlation is significant at the 0.01 level (2-tailed).								
c. List wise N=187								

Source: SPSS output, 2020

4.5.1.1 The relationship between job attitude and MSEs performance

According to the table 4.16, there is a significant positive relationship between job attitude and MSEs performance ($r=.629$, $p< 0.05$). Empirically, the study of (Thirunavukkarasu, 2014) found that job attitude and interaction on business activity is positively related with business performance ($r=0.713$). In addition, (Ali & Nisa, 2014) founded that job attitude has positive and significant employee performance. Hence, this study is consistent with the two findings.

4.5.1.2 The relationship between management and MSEs performance

According to table 4.16, there is where correlation of two variables management and MSEs performance are positively correlated ($r=.806$, $p< 0.05$). The positive correlation means channel control results in increasingly positive MSEs performance. The magnitude of relationship between the two variables was high.

According to Abdissa & Fitwi (2016) & (Kagnev and others, 2018) founded that there is significant positive correlation between management factors and MSEs performance. In other words management factors and MSEs performance are significantly correlated with ($r=0.353$) $p<0.02$ and ($r=0.608$) with $p<0.05$) respectively.

4.5.1.3 The relationship between access to finance and MSEs performance

As shown in table 4.16, results of the correlation shows that there is a significant positive relationship between the access to finance and MSEs performance ($r=.835$, $p < 0.05$). This implies access to finance have high and positive level of correlation with MSEs performance.

Empirically, (Stephen and others, 2014), (Jayeola and others, 2018) and (Kagnew and others, 2018) founded that access to finance has positive and statistically significant impact on MSEs performance with ($r=.239$, $p < 0.01$), ($r=.710$, $p < 0.01$) and ($r=.485$, $p < 0.01$) respectively. Thus, access to finance would improve business performance. Therefore, as mentioned above, the result was consistent with empirical studies.

4.5.1.4 The relationship between technology and MSEs performance

The correlation between MSEs performance and technology was founded as ($r=.716$, $p < 0.05$) with a positive significant relationship between the two variables. According to Hinkle and others, (2003) magnitude of relationship between the two variables it is found to be “high”

Empirically, (Mohamad and others, 2017) and (Moorthy and others, 2012) founded that the correlation of technology was positive and significant on performance MSEs in ($r=.22$, $p < 0.01$) and ($r=.356$, $p < 0.01$) respectively. This shows that, the result of the present study was consistent with this empirical evidence cited.

4.5.1.5 The relationship between infrastructure and MSEs performance

The correlation between infrastructure and MSE performance was founded ($r=.918$, $p < 0.05$) which is a positive and significant relationship between the two variables. According to Hinkle (2003) magnitude of relationship between the two variables it is found to be “high”

Empirically, (Stephen and others, 2014) and (Jayeola and others, 2018) founded that the correlation of infrastructure has positive and significant impact on MSEs performance with ($r=.13$, $p < 0.01$) and ($r=.781$, $p < 0.01$) respectively. This shows that, the result of the present study was consistent with this empirical evidence cited.

4.5.1.6 The relationship between market linkage and MSEs performance

According to the table 4.16, there is a significant relationship between market linkage and MSEs Performance ($r=.906$, $p< 0.05$).

Empirically, founded that the pair wise correlation analysis show that overall effect size for market linkage and performance relationship is significant ($r=.355$, $p<0.01$). This indicate the result of the present study was consistent with this empirical evidence.

Based on the above six correlation analysis the basic research question is called what is the relationship between factors affecting performance of MSEs and MSEs Performance? Is answered. Therefore, the all factors of MSEs performance have positive correlation with MSEs performance. With regard to the magnitude of the correlation, all factors (job attitude, management, access to finance, technology, infrastructure and market linkage) have high correlation with MSEs performance.

4.5.2. Multiple Linear Regression Analysis

Prior to running the analysis of multiple regression models, it is mandatory to assess whether the collected data violate some key assumptions of the standard linear regression models because an assumption violation can result in distorted and biased parameter estimates. The assumptions include sample size, normality, multi-Co linearity, homoscedasticity, linearity, and independence of residuals crucial to confirm them.

Assumption 1 – Sample Size

Regression analysis is often sensitive to sample sizes. The common rule of thumb floating about the sample size in standard linear regression is fifteen (15) cases of data per predictor (Field, 2009). According to (Green, 1991 as cited in Field 2009) to test the overall model the recommended minimum sample size of $N=50+8k$, where k is the number of independent variables. Taking into account the six (6) number of independent variables in the present study; $50+8(6)=98$ which is less than observed respondents/sample size/. i.e. $50+ 8(6) = 98<196$. Based on the criteria, the sample size exceeds the minimum to run the standard multiple linear regression.

Assumption 2 – Normality Test

To check whether the residuals have a normal distribution, scatter plots of residuals against each independent variable and predicted dependent variable were analyzed (i.e. the normal probability plot or normal P-P of regression standard residual and histogram were used) (See appendix VIII).

Assumption 3 – Multicollinearity of the variables

According to Field (2009) if there is perfect Co linearity between predictors, it becomes impossible to obtain unique estimates of the regression coefficients because there are an infinite number of combinations of coefficients that would work equally well. Multicollinearity can be controlled by two ways: tolerance values and values of variance of inflation factor (VIF). Any variable with tolerance below (0.10 or tolerance with a value above (10.0) would have a correlation more than 0.90 with other variables, indicative of the Multicollinearity problem. The tolerance is calculated with an initial linear regression analysis. Tolerance is defined as $T = 1 - R^2$ for the first step regression analysis. With $T < 0.1$ there might be Multicollinearity problem in the data. And the variance inflation factor of the linear regression is defined as $VIF = 1/T$. Similarly, with $VIF > 10$, there is signal that multi Collinearity problem exists. According to table 4.17, the present study reveals that the value of tolerance is more than 0.1 and the value of VIF is less than 10, this indicates the fitness of the model in explaining the factors affecting MSEs performance.

Table 4.17: Results of Multicollinearity test.

Independent variables(From)-	Dependent variable(To)	multi-Collinearity Statistics	
		Tolerance	VIF
--			
Job attitude	Performance of MSEs	.480	2.082
Management	Performance of MSEs	.277	3.607
Access to finance	Performance of MSEs	.313	3.198
Technology	Performance of MSEs	.382	2.620
Infrastructure	Performance of MSEs	.160	6.254
Market linkage	Performance of MSEs	.131	7.654

Source: SPSS Output, 2020

According to the table 4.17, the tolerance for all independent variables is more than (0.10) and VIF for independent variables is less than the limited value (10.0), and so that there is no multi Collinearity between the independent variables of the model.

Assumption 4 - Homoscedasticity (Equal Variance)

At each level of the independent variables, the variance of the residual terms should be constant. This just means that the residuals at each level of the independent variables should most likely have the same variance (homoscedasticity). The scatter plots of residuals against each of the independent variables and predicted dependent variables were used to check homoscedasticity of residuals. The scatter plots of the residuals against the predicted or dependent variable values looks like a random array of dots evenly distributed around zero. (See appendix VIII)

Assumption 5 - Linearity Relationship

The fifth assumption for computing multiple regressions is testing of the linear relationships between dependent and the independent variables. As shown in appendix VIII, the visual inspections of the scatter plot show there exists a linear relationship between the predictors (job attitude) and the predicted variable (MSEs performance). This means that, a unit increase of the one or all predictors causes respective increments for the performances of the MSEs. (See appendix VIII).

Assumption6- Independence of Residuals (Autocorrelation)

The last assumption for multiple regression is the independence of residuals. The independence of the residuals can be measured by Durbin-Watson statistics. The Durbin-Watson statistic will always have a value between 0 - 4. As a general rule of thumb, a value of 2.0 means that there is no autocorrelation detected in the sample. Values from 0 to less than 2 indicate positive autocorrelation and values from 2-4 indicate negative autocorrelation. For this study table- 4.18, the output value of Durbin-Watson is .951; approximately 1, which indicates that there is positive autocorrelation among the residuals.

Table 4.18: Durbin-Watson Statistics for Independence of Residuals

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.965 ^a	.931	.929	.14053	.951
a. Predictors: (Constant market linkage, job attitude, technology, access to finance, management, Infrastructure,					
b. Dependent Variable: MSEs performance					

Source: SPSS Output, 2020

As it is clearly stated in the above, the six step-by-step pre-model fitting assumption tests were found to be satisfactory.

4.5.3. Effect of Factors Affecting Performance of MSEs

To test the hypothesis, it was considered appropriate to use multiple linear regression estimations for testing the proposed hypothesis since multiple linear regression refers to an analysis concerned with the study of the dependence of one variable, the dependent variable on more other variables, the independent variables, with a view to estimating and/or predicting the (population) mean or average value of the former in terms of the values of the latter (Gujarati, 2006).

Due to the existence of significant correlations between job attitude, management, access to finance, technology, infrastructure and market linkage with MSEs performance, it was necessary to establish the strength of the predictive relationships between the variables. In line with the existence of significant associations amongst the constructs, regression analysis was conducted in order to examine the correlation more closely and to examine the effects of the independent variables on the dependent variable. To test the predictive relationships job attitude, management, access to finance, technology, infrastructure and market linkage were used as independent variables and MSEs performance was used as dependent variables.

Table 4.19: Results showing regression analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.965 ^a	.931	.929	.14053
a. Predictors: (Constant), market linkage, access to finance , job attitude , Infrastructure, management, Technology				
b. Dependent Variable: MSEs performance				

Source: SPSS Output, 2020

From the model summary in table 4.19, The value (R=.965) is the multiple correlation coefficient between independent variables job attitude, management, access to finance, technology, infrastructure and market linkage and dependent variable namely MSEs performance.

The Value of R square is a measure of how much variability in the outcome is accounted for by the independent variables. The result shows that a value of R square is .931 which implies that 93.1 percent variation was caused by the considered independent variables. In addition, .931 adjusted R square value means that the total variation in the dependent variable is explained or caused by 93.1percent of the change in all independent variables: job attitude, management, access to finance, technology, infrastructures and market linkage. In other words, 6.9 percent of the variation in MSEs performance cannot be explained by these six independent variables. Positivity and significance of all values show that the model summary is also significant and therefore gives logical support to the study model.

The value of adjusted R square i.e. .929 gives some idea of how well the model generalizes and ideally one would like its value to be the same, or very close to, the value of R square. In this study, the difference between the values of R square and the adjusted R square is $.931 - .929 = .002$ (about 0.2 percent). This reduction means if the model was derived from the population rather than from the sample, it would account for approximately 0.2 percent less variance.

The standard error of the estimate is a measure of the variability of the multiple correlations. Therefore, as shown in the model summary for the regression analysis table above, the standard error of the estimate of this model is .14053 This implies that the variability of the multiple correlations is as much as this numerals.

Positive and significance of all values shows that model summary is also significant and therefore gives logical support to the current study model. The model is statistically significant or the p-value for the model is less than (0.01). This means the fitness of the model in explaining MSEs performance is influenced by the independent variables considered.

4.5.4. Coefficients of Regression Analysis

Table 4.20: Results showing coefficient of regression analysis

Coefficients ^a					
Independent Variables	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.139	.054		39.451	.000
Job attitude	.049	.013	.102	3.616	.000
Management	.050	.016	.120	3.226	.001
Access to finance	.068	.015	.159	4.534	.000
Technology	.156	.015	.121	3.818	.000
Infrastructure	.152	.026	.288	5.890	.000
Market linkage	.016	.003	.316	5.835	.000

a. Dependent Variable: performance

Source: SPSS Output, 2020

According to table 4.20, coefficient of regression shown between independent variables job attitude, management, access to finance, technology, infrastructure and market linkage and a dependent variables MSEs performance.

The beta values tell what degree each independent variable affects the outcome if the effects of all other predictors are held constant.

Each of the beta values has an associated standard error indicating to what extent these values would vary across different samples, and these standard errors are used to determine whether or not beta value differ significantly from zero. The t-test associated with p-value is significant (if the value in the column labelled Sig. is less .05) then the predictor is making significant contribution to the model. The smaller the value of the sign. (The larger the value of t), the greater the contribution of that predictor. For this model, job attitude, ($t = 3.616$, $p < .05$), management ($t = 3.226$, $p < .05$), access to finance ($t = 4.534$, $p > .05$), technology ($t = 3.818$, $p < .05$), infrastructure ($t = 5.890$, $p < .05$) and Market linkage ($t = 5.835$, $p < .05$). We can use the standard deviation of this distribution (known as the *standard error*) as a measure of the similarity of *beta*-values across the sampled MSEs owner/manager. If the standard error is very small, then it means that most samples are likely to have a *beta*-value similar to the one in our sample (because there is little variation across sampled channel members). When the standard error is small even a small deviation from zero can reflect a meaningful difference because *beta* is representative of the majority of possible samples. The following hypotheses were tested using multiple regression analysis to know if there is an effect of independent variables on the dependent variable. According to the decision rule: accept the null hypothesis (H_0) if the significance level (α) of the variable is greater than the (0.05) significance level, reject (H_0) if the significance level (α) of the variable is equal or less than (0.05) (Sekaran, 2004). According to the previous decision rule, the researcher has tested the proposed hypotheses and found the following results:

Results showed that there was a statistically significant effect for all independent variables (job attitude, management, access to finance, technology, infrastructures and market linkage on the dependent variable (MSEs performance)).

Beta values were calculated to examine the individual contributions of the independent variable towards dependent variable. It was calculated by relating independent variable towards dependent variable. It was calculated by relating variable jointly with independent variable, and also t-value was calculated to know the significance of the level of the independent variables to be explained individually. t-value in this model was calculated by taking each independent variable separately with dependent variable. As the model clearly shows, t-values in all cases

support the hypothesis of the study according to statistical rule which says, if t-value is greater than two (2), then hypothesis can be accepted (Bryman & Bell, 2003).

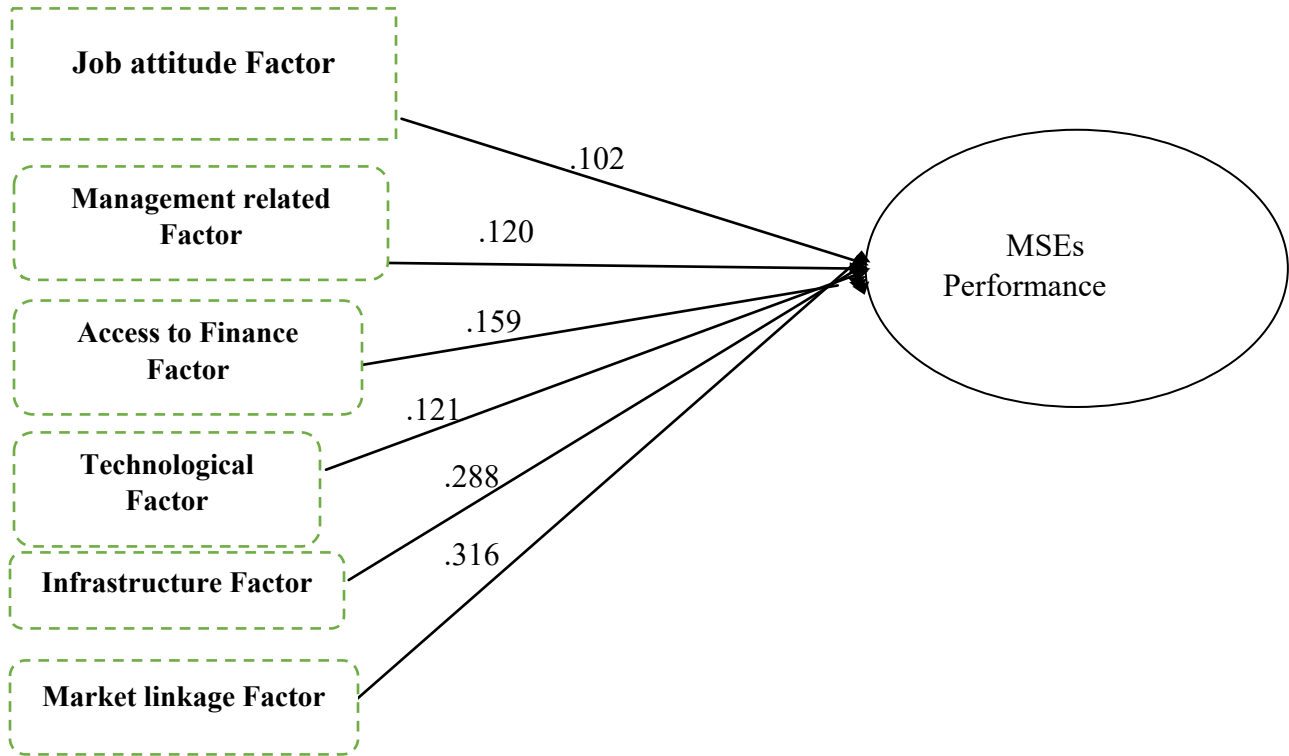
Standardized Beta Coefficient.

The standardized coefficients are the coefficients which explain the relative importance weight (RIW) of explanatory variables. These coefficients are obtained from regression after the explanatory variables are all standardized. The idea is that the coefficients of explanatory variables can be more easily compared with each other as they are then on the same scale. From the above table- 4.20 that the market linkage factors standardized coefficient is larger than the other factors that affects MSEs performance. The second is infrastructure and from third to sixth factors are, access to finance, technology, job attitude, management, and respectively. The larger the standardized coefficient, the higher is the independent variables affects performances of MSEs.

Interpretation:

A 1 standard deviation increase in standardized job attitude is predicted to result in 0.102 standard deviation increase in standardized MSEs performance holding constant the remaining variables, a 1 standard deviation increase in standardized management is predicted to result in 0.120 standard deviation increase in standardized MSEs performance holding constant the remaining variables, a 1 standard deviation increase in standardized access to finance is predicted to result in 0.159 standard deviation increase in standardized MSEs performance holding constant the remaining variables, a 1 standard deviation increase in standardized technology is predicted to result in 0.121 standard deviation increase in standardized MSEs performance holding constant the remaining variables, a 1 standard deviation increase in standardized infrastructure is predicted to result in 0.288 standard deviation increase in standardized MSEs performance holding constant the remaining variables and a 1 standard deviation increase in standardized market linkage is predicted to result in 0.316 standard deviation increase in standardized MSEs performance holding constant the remaining variables.

Figure 4.5: Regression analysis of MSEs



Source: SPSS output from survey data, (2020)

4.5.5. Analysis of Variance (ANOVA)

Table 4.21: Results showing analysis of Variance (ANOVA) of Regression Analysis

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	47.982	6	7.997	404.907	.000 ^b
	Residual	3.555	180	.020		
	Total	51.537	186			

a. Dependent Variable: performance

b. Predictors: (Constant), market, Finance, job, infra, Mgt., Technology

Source: SPSS Output, 2020

According to table 4.21, shows analysis of variance (ANOVA) of regression analysis between independent variables considered and a dependent variable MSEs performance were examined.

The ANOVA tells us whether the model, overall, results in a significantly good degree of prediction of the outcome variable (Field, 2009). The table depicts that in regression, the value of sum of squares is 47.982, the value of degree of freedom (df) is 6, and the value of mean square is 7.997. The most important part of the table is the *F*-ratio, which is calculated using the below equation, and the associated significance value of that *F*-ratio. *F*-ratio is a measure of how much the model has improved the prediction of the dependent variable (MSE performance) compared to the level of inaccuracy of the model (Field, 2009).

The value of *F*-statistics is 404.907 which is significant at $p < 0.001$ (because the value in the column labelled *Sig.* is less than .001). This result tells us that there is less than a 0.1 percent chance that an *F*-ratio this large would happen if the null hypothesis true. The significant level in ANOVA table shows that the combination of the variables significantly predicts the dependent variable. On the other hand, in residual, the value of sum of squares is 3.555, the value of df is 180 and the value of mean square is 0.020.

$$F_{ratio} = \frac{\text{Mean square Regression}}{\text{Mean Square Residual}} = \frac{7.997}{0.020} = 404.907$$

According to Field (2009) if a model is good, then we expect the improvement in prediction due to the model to be large and the difference between the model and the observed data or mean square residual to be small. In short, a good model should have a large *F*-ratio (greater than 1 at least) because the mean square regression will be bigger than the mean square residual.

According to table 4.21, the ANOVA table result shows a relationship between the independent variables and dependent variable of the study with *F*-statistic or *F*-ratio of 404.907.

4.5.6. Hypothesis Testing and Discussion

4.5.6.1 Hypothesis Testing

Hypothesis testing is the method of testing whether claims or hypothesis regarding a population are likely to be true. The goal of hypothesis testing is to determine the likelihood that a population parameter. Here there are two hypotheses: null (H_0), and alternative (H_a). The significance (sig.) value express a value to accept or reject the (null) hypothesis. It is also called the *P*-value. The *P*-value is the probability that the correlation is one just by chance. Therefore, the smaller the *P*-value, the better will be. The general rule is reject H_0 if $P < .05$ and accept H_0 if $P \geq .05$ (Pallant, 2016).

In this part of the study, proof of the null hypothesis is made based on table 4.22 below for the variables. Because, to test the research hypothesis already set in chapter one, it is possible to find out if the independent variables are significant predictors of the dependent variable. To test these relationship, the regression analysis was applied.

Table 4.22: Coefficient and P-value of the independent Variables
Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.139	.054		39.451	.000
	Job attitude	.049	.013	.102	3.616	.000
	Management	.050	.016	.120	3.226	.001
	Access to Finance	.068	.015	.159	4.534	.000
	Technology	.056	.015	.121	3.818	.000
	Infrastructure	.152	.026	.288	5.890	.000
	Market linkage	.016	.003	.316	5.835	.000

a. Dependent Variable: performance

Source: SPSS Output Survey, 2020

Hypothesis:

Ho1- Job attitude has **no** significant effect on performance of MSEs

Ha1- Job attitude has significant effect on performance of MSEs

Ho2- Managerial knowledge has **no** significant effect on Performance of MSEs.

Ha2- Managerial knowledge has **no** significant effect on Performance of MSEs.

Ho3- Access to finance has **no** significant effect on Performance of MSEs.

Ha3- Access to finance has significant effect on Performance of MSEs.

Ho4- Technological access and skills has **no** significant impact on Performance MSEs

Ha4- Technological access and skills has significant impact on Performance MSEs

Ho5- Infrastructure distribution has **no** significant impact on Performance of MSEs

Ha5- Infrastructure distribution has significant impact on Performance of MSEs

Ho6- Access to market linkage has **no** significant effect on Performance of MSEs.

Ha6- Access to market linkage has significant effect on Performance of MSEs.

The research is being done at 95% confidence interval. Hence, each hypothesis should be either accepted or rejected with reference to 5% level of significance; i.e. the hypothesis must be accepted if P- value is less than 0.05 otherwise Reject it.

Therefore:

Ho1: Job attitude has no significant effect on performance of MSEs

Job attitude has no statistically significant effect on MSEs Performance. (Accept Ho1 if $p < 0.05$) otherwise reject it. From table 4.22, the significant value for job attitudes 0.000 which is $p < 0.05$). Therefore, Ho1 is rejected, which indicates that job attitude has a statistically significant effect on the MSEs Performance.

Besides, the value of beta for job attitudes ($\beta = 0.102$) this shows that job attitude has significant effect on MSEs Performance. Hence, the above proposed hypothesis is rejected and the alternative hypothesis is accepted; it indicates that job attitude has a statistically significant effect on the MSEs Performance. Thus the above result is supported by (Ali & Nisa, 2014) in which job attitude has a significant effect on performance.

Ho2: Managerial knowledge has no significant effect on Performance of MSEs

The result of multiple linear regression analysis of the table 4.22, above clearly indicates that management has significantly affect MSEs performance. Besides, the value of beta ($\beta = 0.120$, $p < 0.05$) shows that management affects the MSEs performance positively and significantly. Thus, the above proposed hypothesis is rejected and the alternative hypothesis is accepted. The above result is supported by the study of (Mbugua and others, 2013), (Oppong and others, 2014) and (Kagnew and others, 2018) which shows that management has significantly affect MSEs performance.

Ho3: Access to finance has no significant effect on Performance of MSEs

Access to finance has no statistically significant effect on MSEs performance. (Accept Ho4 if $p < 0.05$) otherwise reject it. From table 4.22, the significant value for access to finances 0.159 which is less than p value of 0.05. Therefore, Ho4 is rejected which indicates that access to finance has statistically significant effect on the MSEs Performance. Therefore, the above proposed hypothesis is rejected and the alternative hypothesis is accepted. Thus the above result is supported by (Mbugua and others, 2013), (Kagnew and others, 2018), (Alemayehu, 2019) and (Fekadu, 2019) in which access to finance has significantly affect MSE performance.

Ho4: Technological access and skills has no significant impact on Performance MSEs

Technology has no significant effect on MSEs performance. (Accept Ho5 if $p < 0.05$) otherwise reject it. From table 4.22, the significant value for technology is 0.000 which is less than p value of 0.05. Therefore, Ho5 is rejected, which indicates that technology has a statistically significant effect on Performance of MSEs.

Besides the value of beta for technology is ($\beta = .121$), this shows that technology has significant effect on MSEs performance. Hence, the above proposed hypothesis is rejected and the alternative hypothesis is accepted; it indicates that technology has statistically significant effect on the MSEs performance. Thus the above results is supported by Abdissa & Fitwi (2016) and Alemayehu, (2019), in which technology has a significant impact on MSEs performance.

Ho5: Infrastructure distribution has no significant impact on Performance of MSEs

Infrastructure does not have a statistically significant effect on MSEs performance. (Accept Ho6 if $p < 0.05$) otherwise reject it. From table 4.22, the significant value for infrastructures 0.000 which is less than p-value of 0.05. Therefore, Ho6 is rejected, which indicates that infrastructure has a statistically significant effect on the MSEs Performance.

Besides the value of beta for infrastructure is ($\beta = .288$), this shows that infrastructure has significant effect on MSEs performance. Hence, the above proposed hypothesis is rejected and the alternative hypothesis is accepted; it indicates that infrastructure has statistically significant effect on the MSEs performance. Thus the above results is supported by (Kinati and others), (2015), Abdissa & Fitwi (2016) and Alemayehu, (2019), (Alfa & Usman, 2019), (Mohammed &

Beshir, 2019) and Ginbare and others, (2020) in which infrastructure has a significant impact on MSEs performance.

Ho6: Access to market linkage has no significant effect on Performance of MSEs

Market linkage has no statistically and significant effect on performance of MSEs. (Accept Ho7 if $p < 0.05$) otherwise reject it. From table 4.22, the significant value for market linkage is 0.000 which is less than p -value of 0.05. Therefore, Ho6 is rejected, which indicates that market linkage has a statistically significant effect on the MSEs Performance.

Besides the value of beta for market linkage is ($\beta = .316$), this shows that market linkage has significant effect on MSEs performance. Hence, the above proposed hypothesis is rejected and the alternative hypothesis is accepted; it indicates that market linkage has statistically significant effect on the MSEs performance. Thus the above results is supported by (Mbugua and others, 2013) and (Musundi & Ogollah, 2014, (Kinati and others), (2015), (Dagmawit and Yishak, 2016), and Ginbare and others, (2020) in which market linkage has a significant impact on MSEs performance.

Table 4.23: Summary of hypothesis test result.

No.	Hypothesis	Tool	Result
Ho1	Job attitude has significant and positive effect on performance of MSEs	Regression	Accepted
Ho2	Managerial knowledge has significant and positive effect on Performance of MSEs	Regression	Accepted
Ho3	Access to finance has significant and positive effect on Performance of MSEs	Regression	Accepted
Ho4	Technological access and skills has significant and positive impact on Performance MSEs	Regression	Accepted
Ho5	Infrastructure distribution has significant and positive impact on Performance of MSEs	Regression	Accepted
Ho6	Access to market linkage has significant and positive effect on Performance of MSEs	Regression	Accepted

Source: SPSS Output, 2020

4.6. Qualitative Analysis: Interview Results

Qualitative research helps in understanding a phenomenon more deeply by analyzing the reasons behind it, while as quantitative tools analyze the phenomenon itself, without bothering about the human perception of reason “why”(Ricky, 2007).

Key informants were purposively selected because of their knowledge about various issues related to business micro and small enterprises environment. Here the analysis were carried out through narration in paragraph form based on the ideas themes through their similarities. These were the data obtained from eight respondents interviewed in Limu Seka Woreda enterprise and industry development head office and experts, TVET head office and experts and Oromia Credit and Saving Share Company manager of Limu Seka Branch.

The results of the interviews regarding with factors affecting performance of MSEs, and the approach government bodies using to measure performance of MSEs in the woreda and particularly in accordance with their responsibility. Therefore, the interviews results discuss in the following ways below.

Micro and small enterprises work is targeted cooperative efforts of different inter related governmental offices to achieve the desired objectives. Accordingly, in the study area, enterprise and industry development office to create job opportunities, perform the recruitment and selection of MSEs, to TVET office to provide training to selected MSEs and the woreda micro finance institution (Oromia Credit and Saving Share Company of Limu Seka Branch) to provide financial support for selected MSEs were coordinated in order to achieve shared responsibility.

The response from enterprise and industry development office head and experts revealed that the key responsibility of the office is to create job opportunities for the job seekers. And also. Concerning the factors that affect performance of MSEs, there are various factors that affect performance of MSEs of the woreda and a great issue which needs solution. However, there are so many factors that hinders the MSEs in the process of job creation and after. From those factors financial factor is the primary factor followed by market linkage factor. Those factors presents from the starting to the end of the job creation process. On the other hand, in the performing the MSEs to the next stage the business management knowledge and skill of MSEs, infrastructures such as electricity, transportation service, and water is the other problems of MSEs. Moreover, the government structures were working to measure the way the MSEs

working in different mechanisms. From the measurement tools financial management and capital registration which starts from the beginning to the end that directs to transform the MSEs from one stage to the next stages. Since the MSEs work done by different stakeholders and cooperation, the factors that affects MSEs to perform were starts from the MSEs members and the way the government structures pay attention for the job itself can be seen as the performance hindering in the woreda.

Regarding the TVET head office and experts concerning the responsibility of the office, there were different problems that hinder to perform their responsibility. From these, shortages of trainers, shortages of machineries and raw materials were the main problems of the office to support the MSEs. The factors that affects performance of MSEs regarding the office were starts from those problems. In addition to this factors that affects MSEs were the lack of short term and long term training concerning business management. For such training the number of trainers and the available field of study also matter. Since the woreda has not sufficient infrastructures to train the MSEs at the kebeles level it was difficult to perform the MSEs at all level. Accordingly, the office has taken different measure to solve and measure performance of MSEs within difficult environment. One of the primary measure the office taken were providing short term training that lasts for five days on entrepreneurship and Japanese philosophy of continuous business improvement (Kaizen) for the MSEs at different kebeles clusters and has been given the certificate of completed initial of training to that was criteria to get loan from financial institutions.

According to the Oromia Credit and Saving Share Company of Limu Seka Branch manager, the institution utilized two types of criteria to finance micro and small enterprise in the woreda. These were collateral and twenty percent pre-loan saving methods and group lending methods. Collateral and twenty percent pre-loan saving criteria were used by the institutions to finance micro and small enterprises are the legal formation of the enterprise should be provided by enterprise and industry development office or One stop Service office and the two bodies prepare business plan to provide the loan.

Group lending method is the latest way which was the institutions supplied loan for MSEs that need loan from microfinance institutions. The micro and small enterprises members before getting loan must save ten or twenty percent of the amount of money proposed to borrow from

microfinance institutions and provide the business plan. The rule of this method is one members of the group is agent of the others and members the groups are responsible for each other for the problems created by any of the members in the group.

The major challenges that met microfinance institutions the problems of MSEs' loan payback system. This problem leads to poor performance of MSEs while the institutions stop lending money to MSEs and when the MSEs miss the way they address to solve the problems of access to finance. As the manager pointed out, if the saving capacity of the institution is below 80% of the planned and the amount of repaid loan is below 97%, it is impossible to lend the MSEs according to the rule and regulations of the micro finance.

Generally, concerning the system lending money to the MSEs, is with training on financial management and the way the MSEs save their money in the institution and has been giving continuous supervision on work place of MSEs.

The challenges that met by MSEs based on these results the institutions were provide the way they address to solve the challenge of access to finance the MSEs by making each enterprise used in microfinance institutions products/services linkage with government MFIs, addressed some of the constraints that MSEs face in accessing funds. The modalities to resolution of the challenges met by MSEs to accessing microfinance institutions products/services. First, MFIs attempted to overcome these two constraints in many ways: cluster lending, cooperative, and individual based lending systems. These were enhancing reimbursement incentives and transactional costs, and also build support networks and educate borrowers.). Second, to mitigate financial distress that comes from the corresponding of cash inflows and out flows (loan maturity period) microfinance institutions were contracting loan conditions and situations and delay the payment date. The more time a firms get, the less likely the firm is to experience problems of meeting short term obligations. Thus the probability that a firm will avoid financial pain can be offered through flexing and postpone payment date (Water field and Duval, 1996).

4.7 Discussions of Interview Results

The industrial development of Ethiopia is issued by encouragement of MSEs growth as one of the significant tools to create productive and energetic private sector. The promotion of this sector is acceptable on the bases that improving expansion with equity, creating long-term jobs, providing the basis for medium and large enterprise and promoting exports.

The response from enterprise and industry development office head and experts reveals that support to the MSEs such as, infrastructure, financial facilities, supply of raw materials, and training (Ageba and Ameha, 2004).

The usefulness of such involvements, is based on identifying the key problems and targeting the potentially successful enterprises. Therefore, the office were established efficient in supplying services to MSEs. The services they provide are modified to address the needs and goals of the local population and stress are towards the poor.

Regarding the response of head of TVET office, the parameters used in this study to assess the contribution of the office in creating well performed and skill full MSEs in the woreda. These include low contribution in training and in making trained MSEs in all directions. The training provided were formed in kebeles cluster and not concerned with developing microenterprises to small and to medium but for sake of solving problems of the MSEs only by giving short term training and giving certificate that needed by micro finance institutions.

Micro finance institutions/Limu seka micro finance fail to provide services required from MSEs. MSEs cannot access to and received sufficient financial services from MFIs. It is supposed that access to loan facilitates and MSEs to overcome their liquidity limitations and accept some investments of technological inputs thus chief to a boost in production (Robinson, 2003).The financial services distributed by microfinance institutions/Limu seka microfinance were lending and savings. The kinds of credit supplied by Limu seka microfinance take two forms such as term loans and repayment loans. Loan term or maturity period and size was depending on the purpose of the loan, the ability of the borrower to pay the loan, and the lending capability of the institution. It is consideration that credit enhances growth of MSEs. The microfinance also brings voluntary and compulsory saving activities. Compulsory/especially 20% pre-loan saving may

have a merit of rising saving habits between MSEs. Microfinance institutions also attempts to bring demand-driven products that address customer's requirement in different activities.

Secondly, apart from financial services, microfinance institutions also offered nonfinancial services to MSEs. The major non-financial services supplied by microfinance institutions were training in setting up business plan, however it is not sufficient related to its contributions.

Finally, the delivery of microfinance institutions products and services had transaction cost results in order to have larger outreach (Christ bell, 2009). Microfinance institutions must visit their customers instead of them to approach to the institution thus declining the cost that customers may experience from. From the above discussion, one can assume that microfinance institutions did not played various roles in different phase of MSEs growth. At the establishing phase, they have to supply establishing assets and consulting in starting events. In the growth stage micro finance institutions must supply important services in consultancy in financial supervision operation, lending short term working capital for mass production and inventory management, and long term capital for expansion of business.

Generally the multiple linear regression explained the predictor variables association with response variables. Hence, credits, loan criteria, training, access to market, average sale volume and profits are significant to performance of MSEs because of the results and assumptions related.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

This chapter presents the summary of findings, conclusions and recommendations from the collected data and their respective interpretations. Accordingly, the objective of this study is identify factors affecting the performance of micro and small enterprises in Limu Seka woreda. The study employed quantitative & qualitative research approaches. To analyze the data, different kinds of statistical methods including descriptive statistical tools like mean, standard deviation has been employed to describe the variables. In addition to test all hypotheses, the effect and the relationship, inferential statistical tools like multiple linear regressions and correlation analysis has been used. The target populations of the study were owner/manager of MSEs. In this study, both primary and secondary data were used as source of information. Based on the research objective, English version questionnaires were prepared and translated into Afaan Oromo. One hundred eighty seven (187) micro and small enterprises were approached using multistage sampling from MSEs owners/managers. From 196 survey forms, 187 questionnaires were completed and returned which illustrates 95.4 (percent) of the response rate. Regarding the reliability of the questionnaires table 3.4 illustrates that all the questionnaires were liable and accepted with Cronbach's alpha result 0.70.

5.1. Summary of Findings

As finding show that most (60.4%) of the respondent's businesses were partnership. It confirmed that micro and small enterprises especially partnership were target to create job, to do business together and to learn from each other's which seek job opportunity and the base for industrial expansion in the area.

Regarding business sector of respondents 54.5 (percent) of respondents were involved in agriculture sector, especially fattening, bee keeping, farming and irrigation, followed by 16.6 (percent) which is engaged on manufacturing sector, especially wood and metal work. The remaining sectors were 10.2 (percent) service sector which were involved on cafeteria, restaurant, juice, barberry and transport service, Thus, the agriculture sector has been comprises of majority enterprise in the study area.

The finding of the study also presents that the number of employees the MSEs and 41.7 (percent) of business enterprises have 4-6 employees, 27.8(percent) have 1-3 employees, 16.6 (percent). Therefore, the majority of MSEs studied have 4-6 which indicate how the business creates unemployment engagement in one enterprises.

In addition, the finding also displayed respondents source of capital and the majority of respondents 41.7 (percent) of respondents source of capital were family, 21.9(percent) were personal saving. Thus the majority of respondents (41.7 %) starts their business by the fund allocated from their family and how there is no sufficient micro finance institutions and the services they provide for the MSEs in the study area.

As indicated on the finding, the majority of respondents 43.9 (percent) annual income were below Birr 10,000, about 22.5 (percent) were between Birr 10,001 - 20,000 and 17.1 (percent) were from Birr 21,001- 30, 000. The majority of respondents annual income were 43.9 (percent) were very low in accordance with developed country and shows that how the MSEs generating income for the MSEs in the woreda.

Finally, as far as the total assets of the respondents is concerned the majority 41.7(percent) of respondents enterprises total asset were below Birr 50,000. In addition to this 34.8 (percent) of respondents total asset were between Birr 51,000-100,000. This data indicates that majority of enterprises 41.7 (percent) total assets were very low which also shows that as most of the enterprises are at micro level.

Regarding the results of correlation analysis, all independent variables i.e. job attitude, management, access to finance, technology, infrastructure and market linkage, are significantly correlated with the dependent variable. e. MSEs performance at 95 percent confidence level($P < 0.05$). The highest correlation is signified by infrastructure ($r=0.918$), followed by market linkage($r=0.906$) while the least correlation signified by job attitude ($r=0.629$).

The results of multiple linear regressions of the six factors that affects MSEs performance the model test is significant with the R Square value of 0.931 (93.1 percent), which indicates that the variability of the performance of MSE explained by the variability of the independent variables i.e. job attitude, management, access to finance, technology, infrastructure and market

linkage while, the remaining (6.9 percent) of the variability of the performance of the MSE may be explained by other factors which is not included in this study.

As the findings shows that coefficients of factors affecting performance of MSEs. Thus on the other hand, the Beta coefficient for job attitude (X_1) is $\beta_1 = 0.102$ indicates the growth of the MSEs performance up to 0.102 on average by keeping the other variables constant, the Beta coefficient for management (X_2) is $\beta_2 = 0.120$ indicate the growth of the MSEs performance up to 0.120 on average by keeping the other variables constant, the Beta coefficient for access to finance (X_3) is $\beta_3 = 0.159$ indicate the growth of the MSEs performance up to 0.159 on average by keeping the other variables constant, when the Beta coefficient for technology (X_4) is $\beta_4 = 0.121$ indicates the growth of the MSEs performance up to 0.121 on average by keeping the other variables constant, the Beta coefficient for infrastructure (X_5) is $\beta_5 = 0.288$ indicate the growth of the MSEs performance up to 0.288 on average by keeping the other variables constant, and the Beta coefficient for market linkage (X_6) is $\beta_6 = .316$ indicate the growth of the MSEs performance up to 0.316 on average by keeping the other variables constant, as the model shows clearly, the majority of the factors to the MSEs performance is occupied by market linkage.

Finally the findings of multiple linear regressions of the six factors affecting performance of MSEs, Based on this six independent variables (job attitude, management, access to finance, technology, infrastructure and market linkage) have statistically significant effect on the performance MSEs of Limu Seka with a P-Value of 0.000, 0.001, 0.000, 0.000, 0.000, and 0.000 respectively.

5.2. Conclusion

During the investigation the researcher used both descriptive and inferential statistics and based on the findings of the research the researcher made conclusions by outlining the following points. As the results of the descriptive statistics illustrated most of the MSEs owner/ manager were agreed with the factors affecting MSEs performance & practices of the enterprises. This implies that the MSEs are working with pleasure in terms of job attitude, management, and access to finance, technology, infrastructure and market linkage practices of the micro and small enterprises.

From the qualitative analysis, it can be concluded that most of the factors that affect MSEs are not properly implemented in the specific study area. The pre-model fitting six assumptions (i.e., sample size, normality of distribution, linearity, multicollinearity of the variables, homoscedasticity, and independence of residuals) of multiple regressions are met accordingly. Furthermore, the multiple linear regression analysis (The R square) implies that about 93.1 (percent) shows that the six factors that affect MSEs performance (job attitude, management, access to finance, technology, infrastructure and market linkage) can determine the variation of the Performance of MSEs' of Limu Seka. Therefore, the researcher can convincingly conclude that the factors affecting performance of MSEs has a significant effect on performance of MSEs.

As far as the relative effects of an individual factor affecting MSEs performance is concerned, the result of multiple linear regression coefficient shows that market linkage has the highest beta value which indicates the most dominant effect in determining the variation of MSEs performance followed by infrastructure with a beta values of ($\beta_1 = 0.316$ & $\beta_2 = 0.288$) respectively.

The multiple linear regression analysis of the independent variables and dependent variables shows that all of the explanatory variables (job attitude, management, access to finance, technology, infrastructure and market linkage) have a statistically significant effect for predicting MSEs performance. It can be concluded that the findings were largely consistent with the previous studies.

Generally, for MSEs operating throughout the country, to address for best performance end-to-end in an efficient and effective way, working with factors affecting the MSEs performance is a key strategy. Therefore, for addressing better MSEs performance, determination and consideration of the above discussed factors affecting MSEs performance have a great effect on MSEs performance.

5.3. Recommendations

This study has proved that the factors affecting MSE performance in Limu Seka woreda. Concerning the findings and conclusions made above, the following possible recommendations

are suggested as being valuable to the MSEs for improving factors affecting performance of MSEs and activities to be assured.

At all point of MSEs performance, the practices of MSEs manager and stakeholders (job attitude, management, access to finance, technology, infrastructure and market linkage) have to handed in order to increase MSEs performance. This scan been handed and developed through the following:

- To make MSEs competitive and profitable, increasing the capacity and skill of the operators through continuous trainings, experience sharing from successful enterprises, and delivery of advice and consultancy are critical. Furthermore, as it has been identified the credit methodology as difficult and full of problems, it required policy action at government level. Therefore, the concerned organization should revise the loan systems undertaken by financial institution in our country. This is important to MSEs to obtain at least the initial working capital.
- The government should include in MSEs policy and strategy Key Performance Indicator (KPI) performance measurement techniques. Performance measurement system a group of techniques developed by MSEs to evaluate performance of business activities. KPI are effective management tool and translate complex measures into simple indicators that allow decision makers to assess the current situation and act quickly (Natsasiea & Mironeasa, 2017). Organizations such as Small and Medium enterprises in many countries like Malasia have the ability to accommodate global competitive by better managing their process through new improvements to increase their efficiency (Ahimad and others, 2017)
- The availability of suitable infrastructure to the performance of MSEs are significant. Infrastructure such as electric power supply, water supply, road, telephone and transport have positive effect on performance of MSEs.
- MSEs travel more and more distances to research raw materials and markets as a result they incur high transportation costs and which decreases their profitability level. For this significant problem road contraction plays a great role in realizing economic development and for the expansion of investment.
- The TVET centers that are being established should be structured in the way that participants will be given job-related and managerial knowledge and skills as well as

entrepreneurial knowledge at the Center. At the end of the training program, a professional certification should be given to successful participants. This should qualify them to approach appropriate financial institution with a bankable proposal for funding.

- In addition, the MSEs should be encouraged to form Professional associations and linkages. This is very important in ensuring continuous supply of inputs as well as assessing markets especially national markets which might be relatively difficult for individual micro and small enterprises working alone. Since there is a poor market linkage in the woreda, there should be value chain development especially in agricultural enterprises. Hence, governments at all levels should encourage development of networking system is for the stand-alone businesses. The communication mechanism should be improved in a more scientific manner rather than manual systems. This can be enhanced via experience sharing in other developed and advanced nations in the telecom industry.
- According to the findings of the study higher interest rate for loan, higher collateral requirement of loan providers, Short period of loan repayment period and limited institutions willing to provide loan for MSEs well-thought-out as great financial problems of MSEs in the study area. In addition to this, MFIs identified as single most important sources of loan providers for MSEs and there is no commercial bank involved in providing loan for MSEs. So the government should take measures to tackle such problems. For example: The government should focus on development programme in an investment-friendly environment. This will achieve the long sought industrial transformation, which suitable for programmes of small and labour intensive industrialization. In such programme the government, the investment and micro and small enterprises should be included this leads to review of financial institutions and banks' lending policies, and the system of governing with New Bank for Industry and MSEs transformation which will address the problems that are associated with government programmes.
- The government should arrange and give raw materials, equipment, machines and other necessary materials through lease in which small enterprises can cover the payment during the operations to reduce doubt of getting back payments for the loaned out finance. This will help small enterprises for more produce, ensure fair competition.
- Concerning the growth stages of the enterprises the government should give priority to modify the names and the stages of the enterprises into business related names. In Malaysian

small and medium enterprises there are five growth stages of enterprises which are related to business characteristics. Namely existence, survival, success, take off and resource maturity (Sajilan and others, 2016).

- Government should give priority to the delivery of basic infrastructure such as industrial plans, telecommunications, water, electricity, and better road. The development infrastructures will be pave way to the development of banks in the rural area. This also enables the MSEs and the public keep current accounts and attract deposits. This will afford them the opportunities to provide loans and other capital facilities to their clients amongst whom are small entrepreneurs. Besides, these banks will be in a better position to monitor more closely their client's records and also ascertain their capacity to service the loans. In addition to this the banks should incorporate business advisory services into their operations with micro and small and enterprises; such services should include business and financial planning as well as feasibility reports and so on.
- This will go a long way in providing an alternative source of finance instead of depending on the banks for all resources. In addition, trade associations can also undertake collaborative purchasing of raw materials and other inputs in order to enjoy the advantage of purchasing and problems of market linkage of MSEs.
- The operators of micro and small enterprises should upgrade product quality and brand to an appreciable standard with best strategic planning. This would give them access to wider markets, which would lead to increase income and the growth of their business.
- The entrepreneurs should enter strategic unions with world-class technical partners. This will lead to advancement in indigenous technology, rather than attempting to import technologies that may not be suitable for their enterprise.
- Micro and Small enterprises should focus on investing in projects where they have strong competitive advantage and core competency. Each business has its own unique set of skills and limitations, thus, it is better for them to do what they are best at.
- Owners of micro and small enterprises should attempt to depersonalize their businesses thereby drawing a line of demarcation between personal and company funds. In addition, there should be proper financial planning and budgeting.
- The types of supports need for the MSEs in each level of growth should be identified and define to help according to their stage. Responsible bodies should act to shape positive job

attitude and knowledge of MSEs. To increase the roles MSEs in the country economic growth, the government body should strength coordination between actors and operators.

- The findings of the study shows that management has positive effect on performance of MSEs. Small enterprises owners should set vision and goals in terms of what is to be accomplished selection of technology and to improve the productivity and the commitment of governmental bodies should increase in making awareness about the role of management in competitive advantages and in producing visionary entrepreneurs there should be included in policy of MSEs.

5.4 Suggestions for further research

It is clear that the study were incorporated only the Micro and Small Enterprises in Limu Seka worda. Hence, other researchers consider conducting elaborated research in the area by including Medium enterprises, the study population and the sample sizes.

It is observed that there exist some levels of unwillingness of the respondents while filling the questionnaire. Even if the negligence's of respondents were seen while conducting this particular study, this study was restrained mainly on primary sources of data. This is due to the fact that, poor data handling of the MSEs that could not able to use time series data in detail basis, hence other researcher might use time series data so as to analyze the effects of factors affecting on MSEs performance than merely depend on respondents' perception.

Finally, as the results of the regression analysis indicated, the factors affecting performance of MSEs determine 93.1 (percent) of the MSEs performance which indicates there are other factors which can explain the variability performance of the MSEs. Hence, in the future research researchers should consider on the factors not included in this study such as; agreements between members of the enterprise and knowledge and skill of micro and small enterprise for better MSEs performance.

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Appendix I
Reliability test; Pilot Survey
Scale: Job Attitude

Case Processing Summary

		N	%
Cases	Valid	187	100.0
	Excluded ^a	0	.0
	Total	187	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.811	12

Scale: Management

Case Processing Summary

		N	%
Cases	Valid	187	100.0
	Excluded ^a	0	.0
	Total	187	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.844	8

Scale: Access to Finance

Case Processing Summary

	N	%
Valid	187	100.0
Cases Excluded ^a	0	.0
Total	187	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.923	12

Scale: Technology

Case Processing Summary

	N	%
Valid	187	100.0
Cases Excluded ^a	0	.0
Total	187	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.946	10

Scale: Infrastructure

Case Processing Summary

	N	%
Valid	187	100.0
Cases Excluded ^a	0	.0
Total	187	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.952	6

Scale: Market linkage

Case Processing Summary

		N	%
Cases	Valid	187	100.0
	Excluded ^a	0	.0
	Total	187	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.959	11

Scale: MSEs Performance

Case Processing Summary

		N	%
Cases	Valid	187	100.0
	Excluded ^a	0	.0
	Total	187	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.934	9

Appendix II
Questionnaires
JIMMA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

PART ONE: - INTRODUCTION

Dear Respondent,

This study is entitled with “Factors affecting Performance of MSEs: The Case of Limu Seka Woreda.” The researcher is Abdurazak HajiMohammed who is currently MBA student at Jimma University. The purpose of this questionnaire is to collect information on factors affecting performance of micro and small enterprises (MSEs) the case of Limu Seka Woreda. It is purely for academic purpose and the information obtained shall not be used for any other purpose other than for its intended use and will be treated with utmost confidentiality. So, your genuine, honest and timely response is vital for accomplishment of this study on time. Therefore, I kindly ask you to give your response to each question honestly. Thanks in advance for cooperation!

Sincerely, Abdurazak HajiMohammed

Instruction

- ❖ No need to write yours and organization name.
- ❖ Put a tick mark (√) under the choices below in the appropriate place.

PART TWO. BACKGROUND INFORMATION OF RESPONDENTS

1. What is your gender?

Male Female

2. What is your educational level?

- A. Who can't read and write D. Certificate G. Degree
B. Primary School E. Diploma H. Masters and Above
C. High school F. TVET (Level I-V)

3. How many years old are you?

- A. 15- 20 years D. 31-35 years G. above 45
B. 21- 25 years E. 36- 40 years
C. 26 - 30 years F. 41- 45 years

4. What is your marital Status?

- A. Single C. Widowed
B. Married D. Divorced

5. What is your position in the enterprise?

- A. Manager C. Sales Person
B. Owner D. Other (Specify).....

PART THREE: - GENERAL INFORMATION ON BUSINESS ENTERPRISES

6. What is the main activity (sector) of the enterprise?

- A. Agriculture sector D. Manufacturing sector
B. Service sector E. Construction sector
C. Trade sector F. Mining sector

7. What is the major source of capital to start your business?

- A. Personal saving B. Family C. Micro finance Institutions
D. Friends/Relatives E. NGOs F. Banks G. Iqub/Idir

8) What is form of your business?

- A. Partnership C. Share Company
B. Sole proprietorship D. Cooperative

9) How many employees does your enterprise have?

- A. 1 - 3 employees D. 11 - 12 employees

- B. 4 - 6 employee E. 13- 15 employees
 C. 7 - 10 employees F. above 15 employees

10) How many work experience your enterprise has?

- A. 0 to 5 years C. 11-15 years
 B. 6 to 10 years D. above 15 years

11) What is your reasons for starting the business?

- A) To do business/money D. Inspired by government offices
 B) To get job opportunity E. To keep me busy
 C) Inspired by friends, family F. Others (specify).....

12) What is your annual income from your business activities during the last 12 months?

- A. Below Birr 10,000 B. Birr 10,001 - 20,000
 C. Birr 21,001- 30, 000 D. Birr 31,001- 40,000
 E. Birr 41,001-50,000 F. Above Birr 50,000

13) What is the total assets of your enterprise currently?

- A. Below Birr 50,000 B. Birr 51,000-100,000
 C. Birr 101,000- 150,000 D. Birr 151,000 - 200,000
 E. Birr 201,000-250,000 F. Above Birr 251,000

PART FOUR: - FACTORS AFFECTING THE PERFORMANCE OF YOUR ENTERPRISES

Please indicate the degree to which these factors are affecting the growth of your business enterprise. After you read each of the factors, evaluate them in relation to your business and then put a tick mark (√) under the choices below. Where, 1 = Strongly disagree, 2 = Disagree, 3 = undecided, 4 = Agree and 5= Strongly agree.

No.	Factors affecting performance of MSEs					
1	Job attitude factor	1	2	3	4	5
1.1	Micro and small enterprise work is best and preferable work in generating income					
1.2	Encouraging micro and small enterprises to have attitude of earning money by hard work is best work culture					
1.3	Micro and small enterprise work is business activity that can produce entrepreneurs and competitive business person					
1.4	Sometimes you awakening at night thinking ahead to the next day work can affect the performance of micro and small enterprises					
1.5	An attitude anybody has for his/ her work and job will affect the business performance					
1.6	In micro and small enterprise work the amount of interest and cooperation you have will affect micro and small enterprises performance					
1.7	Micro and small enterprise work seems boring but is the way to recognition and being wealthy					
1.8	Micro and small enterprise work is a place where you learn how to work with others and the reason for best performance					
1.9	Micro and small enterprise work is has a great advantage than working alone to bring business performance					
1.10	Job satisfaction in micro and small enterprise will be cause for business performance					
1.11	Micro and small enterprise job will allows you to grow and develop as a person that will cause better performance					
1.12	In micro and small enterprises the way the public and the business society feel about the job will affect its performance					
2	Management related factor	1	2	3	4	5
2.1	Preparing a daily or weekly “ To do” list in an enterprise will increase the enterprises’ performance					
2.2	Adapting products or services to satisfy customers will have effect on an enterprises’ performance					
2.3	Micro and small enterprises which has good manager and working for healthier communication within employees will have good performance					

2.4	The manager/ members of an enterprise attended training and development on management skill is starting point of better performance					
2.5	When manager addressed unsolved problems in an enterprises it is on the way to better performance					
2.6	The system of collecting customers opinions and continuous improvement in handling customers' needs will increase enterprises' performance					
2.7	Understanding the goals, policies, and objectives of micro and small enterprise will affect its performance					
2.8	The enterprise will be perform well when people and resources are managed effectively					
3	Access to finance factor	1	2	3	4	5
3.1	Setting specific financial goals for future will increase financial performance of the enterprise					
3.2	Writing down where and how money spent will have effect on performance of the enterprise					
3.3	Insufficient loan size from financial institutions will have effect on performance of the enterprise					
3.4	Inadequate financial institution that provide debt with less interest can be factor for low performance of the enterprise					
3.5	When loan application procedures of lending institutions are too complicated, there could be poor performance of the enterprise					
3.6	When financial institutions provide high interest requirement the enterprise will be obligated to leave the application					
3.7	Because of collateral is a mandatory requirement in getting loan from financial institution enterprise will be caused for poor performance					
3.8	Saving money is more satisfying to increase enterprise financial performance					
3.9	Keeping financial record is too time consuming that may cause poor financial management					
3.10	As long as one gets loan and the length of time it will take to pay back it may cause financial problems on enterprise performance					
3.11	Micro and small enterprises have insufficient working capital and this makes the					

	enterprises poor financial performance					
3.12	Government subsidies and debt funding are not available for new and growing enterprises and this leads to enterprise poor performance					
4	Technological factor	1	2	3	4	5
4.1	In everyday life availability of technology will increase business performance of an enterprise					
4.2	Government influence on technology can cause effect on micro and small enterprises performance					
4.3	Using obsolete technology will bring performance of micro and small enterprises delay					
4.4	The available chance to get appropriate machinery and equipment in business area will increase micro and small enterprises performance					
4.5	The chance to learn how to use new kinds of technology will have effect on micro and small enterprises performance					
4.6	When the level of customer satisfaction is related to technology it can cause to enterprise better performance					
4.7	The delivery of products and services are more satisfying when it is related to technology					
4.8	Poor technical support is will have effect on technological performance					
4.9	Diversity in technology prompts enterprises to multi-product strategy and better business performance					
4.10	Technology is a key to business transformation and better performance					
5	Infrastructure factor	1	2	3	4	5
5.1	Insufficient social networking has business effect to distribute and transport products and services to customers					
5.2	Infrastructure affects decision to work and will have effect with enterprises performance					
5.3	Communication service is significant problem in business that will bring better business performance					
5.4	Insufficient electric power, roads and water will cause micro and small enterprises poor business performance					
5.5	Business objectives cannot be achieved without infrastructures and will cause poor					

	enterprise performance					
5.6	An enterprise enjoys insufficient and slow transportation service which leads to poor business performance					
6	Market linkage factor	1	2	3	4	5
6.1	Market linkage network has a great effect on enterprises better performance					
6.2	Searching for new market is too difficult and will leads to poor business performance					
6.3	Available market information will have effect on enterprises better performance					
6.4	An enterprise which focused on demand forecasting in its situations will achieve better performance					
6.5	The enterprise with poor customer relationship and handling will not bring better business performance					
6.6	The access of promotion to attract potential users will affect business performance positively					
6.7	The enterprise which enjoy continuous improvement of product in an enterprise will achieve better performance					
6.8	Weak market linkage between micro and small enterprise& medium sized enterprises will cause poor business performance					
6.9	Weak market linkage between micro and small enterprise& private institutions will cause poor business performance					
6.10	Weak market linkage between micro and small enterprise& government Institution will cause poor business performance					
6.11	Without government support on government regulations that are relevant to business it may difficult to achieve the desired performance					
7	MSEs performance	1	2	3	4	5
7.1	Job attitude has significant effect on performance of micro and small enterprises					
7.2	Strategic planning has significant effect on Performance of micro and small enterprises					
7.3	Management has significant effect on Performance of micro and small enterprises.					
7.4	Access to finance has significant impact on Performance of micro and small enterprises.					
7.5	Technology has significant effect on Performance micro and small enterprises					
7.6	Infrastructure has significant impact on Performance of micro and small enterprises					
7.7	Market linkage has significant impact on Performance of micro and small enterprises					

7.9	The profit of enterprise has significant impact on Performance of micro and small enterprises						
7.10	The asset of enterprise has significant effect on Performance of micro and small enterprises						
7.11	The number employees of enterprise has significant effect on Performance of micro and small enterprises						

8. If you have any comment regarding factors affecting performance of your business out of the above factors, please mention here. _____

Appendix III
Interview for enterprise and industry development office
JIMMA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

This structured interview has been prepared to examine the Factors Affecting Performance MSEs: The Case of Limu Seka Woreda. The information you are going to provide will be used only for academic purpose and further benefits the business society by preparing possible suggestion.

Therefore, you are kindly requested to give genuine responses and treated confidentially.

I would like to thank you very much in advance for your cooperation.

Part one: Identification

Date of Interview _____ Town _____

Name of Interviewer _____ Sex _____ Age _____

Level of education _____ Name of Office _____ Position _____

Part two: Questions

1. What is your responsibility in micro and small enterprises' to achieve and perform objectives of their establishment?

In your opinion what are factors the factors that affects MSEs performance in the woreda?

2. How do you provide support for MSEs to increase their performance?
- _____

3. What kind of performance measurement are implemented to measure performance of MSEs?

4. Please specify any ways you think training in your organization can be improved

5. What are other problems did you faced regarding the overall functioning of MSEs?

Thank you again!

Appendix IV
Interview for TVET office

JIMMA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

This structured interview has been prepared to examine the Factors Affecting Performance MSEs: The Case of Limu Seka Woreda. The information you are going to provide will be used only for academic purpose and further benefits the business society by preparing possible suggestion.

Therefore, you are kindly requested to give genuine responses and treated confidentially.

I would like to thank you very much in advance for your cooperation.

Part one: Identification

Date of Interview _____ Town _____

Name of Interviewer _____ Sex _____ Age _____

Level of education _____ Name of Office _____ Position _____

Part two: Questions

1. What is your responsibility in micro and small enterprises' to achieve and perform objectives of their establishment?

2. In your opinion what are factors the factors that affects MSEs performance in the woreda?

3. How does your office train the MSEs and on what agenda do you train them?

4. Please specify the ways training in your organization can be improved and measured?

5. What are other problems did you faced regarding the overall functioning of MSEs?

-

Appendix V

Interview for Oromia Credit and Saving Share Company of Limu Seka Branch

JIMMA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

This structured interview has been prepared to examine the Factors Affecting Performance MSEs: The Case of Limu Seka Woreda. The information you are going to provide will be used only for academic purpose and further benefits the business society by preparing possible suggestion.

Therefore, you are kindly requested to give genuine responses and treated confidentially.

I would like to thank you very much in advance for your cooperation.

Part one: Identification

Date of Interview _____ Town _____

Name of Interviewer _____ Sex _____ Age _____

Level of education Status _____ Name of Office _____ Position _____

Part two: Questions

1. What is your responsibility in micro and small enterprises to achieve and perform objectives of their establishment?

2. In your opinion what are factors the factors that affects MSEs performance in the woreda?

3. How do you provide financial support for MSEs?

4. What kind of performance measurement are implemented to measure performance in providing loan for MSEs?

5. What are other problems did you faced regarding the overall functioning of MSEs?

Thank you

Appendix VI
Gaafannoowwan Afaan Oromoo
YUUNIVARSIITII JIMMAATTI
KOLLEEJJII BIIZANASII FI IKOONOOMIKKSII
DIPPAARTIMANTII MAANEJIMANTI
GAAFANNOO-1

Kutaa Tokkoffaa: - Seensa

Kabajamtoota waldaalee gaafannoo kana guuttan, gaafannoon kun qorannoo mataduree **Rakkoolee Bu’a Qabeessummaa Waldaalee Maayikroo fi Xixiqqaa Aanaa Limmuu Saqqaa irratti dhiibbaa Uuman** kan jedhu irratti kan qophaa’e yommuu tahu, Qorataan immoo yeroo ammaa Yuunivarsiitii Jimmaatti Kolleejii Biizinasii fi Ikoonomiksii Diippartimantii Maaneejimantiitti barataa MBA kanan tahe **Abdurrazzaaq HajiMuhammad** yommuun tahu kaayyoon qorannoo kanaa haala qabatamaa Aanaa Limmuu Saqqaaatiin rakkoolee Waldaaleen Maayikiroo fi Xixiqqaa bu’a qabeessa akka hin taane taasisan ilaalchisee odeeffannoo sassaabuudha. Gaafannoon Kun dhimma barnootaa qofaf kan ooluu fi odeeffannoowwan sassaabamanu hundinuu dhimma barnootaa qofaaf kan oolu tahuu amanamummaa guddaadhaan isiniif ibsuun barbaada. Walumaagalatti, yeroo fi hojii keessan aarsaa gootanii gaafannoo kana guutuun keessan bu’a qabeessummaa fi haqummaa qorannoo kanaatiif iddoo ol’aanaa qaba. Kanaafis kabaja fi jaalala namummaa onnee irraa madden isiniif qaba. Deeggarsa naaf taasiftaniif Galatooma!

Nagaawajjin!

Qajeelfama

- ❖ Maqaaa fi iddoo hojii keessan hin barreessinaa!
- ❖ Gaafannoowwan armaan gaditti dhiyaataniif Mallattoo (√) sanduuqa keessatti barreessaa!

Kutaa Lammaffaa: Odeeffannoo Waliigalaa

1. Saala:

Dhiira Dubara

2. Sadarkaa Barnootaa

[1] Bareessuu fi Dubbisuu Kan hin dandeenye

[5] Diippiloomaa

[2] Barnoota Sadarkaa 1ffaa

[6] BLTO (Level I-IV)

[3] Barnoota Sadarkaa 2ffaa

[7] Digrii

[4] Sartafikkeettii

[8] Maastarsii fi isaa ol

3. Umurii:

A. 15-20

D.31-35

G. Above 45

B. 21-25

E. 36-40

C. 26 - 30

F. 41-45

4. Haala Gaa'ila

A. Kan fuudhe/heerumte

C. kan abbaan warraa/ haati warraa irraa du'e/te

B. Kan hin fuune/ hin heerumne

D. Kan hiike/te

5. Waldaa keessatti gaheen keessan maalii?

A. Itti gaafatamaa / Gaggeessaa

B. Abbaa qabeenyaa waldichaa

C. Gaggeessaa/ Abbaa qabeenyaa waldichaa

D. Kan biroo _____

Kutaa Sadaffaa: - Odeeffannoo Waliigalaa Waldaa Ilaalchisee

6. Seektarri waldaan keesaan itti ramadamu isa kami?

A. Seektara Qonnaa

D. Seektara Oomishaa

B. Seektara Tajaajilaa

E. Seektara Ijaarsaa

C. Seektara Daldalaa

F. Seektara Albuudaa

7. Maddi kaappitaalaa hojii waldaa keessanii maalii? Ykn eessa irraayii?

A. Qusannaa Dhunfaa

D. Hiriya/ Fira

B. Maatii

E. Dhaabbilee Miti-Mootummaa

C. Dhaabbilee Maayikiroo Faayinaansii F. Baankii G. Afooshaa/ uqqubii

8. Gosti waldaa keessanii isin irratti ijaaramtan kamii?

A. waldaan Shariikaa C. Waldaa Aksiiyoonaa

B. Waldaa Dhunfaa D. Waldaa hojii gamtaa

9. Waldaan keessan miseensa meeqa qabaa isin dabalatee?

A. Miseensa 1-3 D. Miseensa 11-15

B. Miseensa 4-6 E. Miseensa 15 Ol

C. Miseensa 7-10

10. Waldaan keessan erga hojiitti gale waggaa meeqa?

A. Waggaa 0-5 C. Waggaa 11-15

B. Waggaa 6-10 D. Waggaa 15 Ol

11. Waldaan ijaaramtanii akka hojjetaniif sababni isin kakaase maalii?

A. Hojii biizinasii keessa galuuf/Qarshii argachuuf

B. Carraa hojii uummachuuf

C. Kaka'umsaa fi gorsa hiriyootea, Maatii fi kkf

D. Kaka'umsa qaamolee mootummaatiin

E) Hojii ofitti baayyisuuf

F. Kan biro yoo jiraate haa ibsamuu _____

12. Galiin Waggaa waldaan keessan argatu Kan bara 2012 qarshiidhaan meeqa?

- A. Qarshii 10,000 Gadi B. Qarshii 10,001 - 20,000
 C. Qarshii 21,001- 30, 000 D. Qarshii 31,001- 40,000
 E. Qarshii 41,001-50,000 F. Qarshii 50,000

13. Qabeenyi waliigalaa waldaan keessanii hanga ammaatti horate tilmaamaan qarshiidhaan meeqa ta'a?

- A. Qarshii 50,000 gadi D. Qarshii 151,000 - 200,000
 B. Qarshii 51,000 - 100,000 E. Qarshii 201,000 - 250,000
 C. Qarshii 100,001 - 150,000 F. Qarshii 251,000 ol

Kutaa Afraffaa: - Rakkoolee Bu'a Qabeessummaa Waldaa keessanii irratti dhiibbaa uuman

Sadarkaa rakkooleen armaan gadii Kun bu'a qabeessummaa waldaan keessanii irratti uuman giddugaleessa gochuun gaafannoo armaan gadii kana guutaa. Rakkoolee kana erga dubbistanii booda, walitti dhufeenya inni waldaan keessan waliin qabu hubachuudhaan mallattoo (√) filannoowwan dhiyaatan jallaatti barreessaa. Kunis, 1 = Sadarkaa Ol'aanaan walii hin galu, 2 = walii hin galu, 3 = Hin murteessine 4 = Waliingala fi 5= sadarkaa ol'aanaan waliingala.

No.	Rakkoolee bu'a qabeessummaa waldaalee Maayikiroo fi xixiqqaa irratti dhiibbaa uuman	1	2	3	4	5
1	Rakkoo Ilaalcha Hojiin walqabatu					
1.1	Hojiinwaldaa maayikiroo fi xixiqqaa hojii galii maddisiisuu akkasumas gaarii fi filatama dha					
1.2	Waldaaleen maayikiroo fi xixiqqaa ilaalcha hojjetanii jijjiiramuu akka qabaatan taasisuu fi jajjabeessuun aadaa hojii gaariidha					
1.3	Hojiin maayikiroo fi xixiqqaa hojii dandeettii waa uumuu dabaluu fi dorgoomaa cimaa nama taasisuudha.					
1.4	Yeroo tokko tokko halkan hirriba irraa kahanii waa'ee hojii guyyaa itti aanuun yaaduun bu'a qabeessummaa waldaa irratti dhiibbaa ni uumaa					

1.5	Ilaalchi namni hojii isaaf qabu bu'a qabeessummaa waldaa irratti isaa irratti dhiibbaa ni uumaa					
1.6	Hojii waldaa maayikiroo fi xixiqqaa keessatti hanga fedhii fi waliigaltee miseensaa bu'a qabeessummaa waldaa irratti dhiibbaa ni qaba					
1.7	Hojiin waldaa maayikiroo fi xixiqqaa hojii nuffisiisaa fakkaatus hojii daandii beekamtii fi dureessatti nama geessuudha.					
1.8	Hojiin waldaa maayikiroo fi xixiqqaa iddoo namoota waliin hojjechuun itti baratamuu fi hojii bu'a qabeessa ta'uuf sababa tahuu danda'uudha.					
1.9	Waldaa maayikiroo fi xixiqqaatiin ijaaramanii hojjechuun qophaa hojjechuu caalaa bu'aa qabeessa nama taasisa.					
1.1 0	Gammachuun hojii waldaa maayikiroo fi xixiqqaa keessatti argamu bu'a qabeessummaa hojiichaaf sababa guddaadha.					
1.1 1	Hojiin waldaa maayikiroo fi xixiqqaatii hojii nama jijjiiruu fi guddachuuf akkasumas bu'a qabeessa ta'uuf sababa tahuu danda'uudha					
1.1 2	Akkaataa ummatni fi hawaasa biizinasii keessa jiru dabalatee waldaa maayikiroo fi xixiqqaatii iiti ilaalu bu'a qabeessummaa waldichaa irratti dhiibbaa qaba.					
2	Rakkoo Gaggeessummaa	1	2	3	4	5
2.1	Waldaa maayikiroo fi xixiqqaa keessatti hojii guyyaa ykn torbee tarreessuun bu'a qabeessummaa waldichaaf ni fayyada					
2.2	Oomishni fi tajaajilli kennamu maamila biratti akka fudhatama argatu taasisuun bu'a qabeessummaa waldaalee iirratti dhiibbaa ni uuma					
2.3	Waldaa maayikiroo fi xixiqqaa gaggeessaa gaarii qabu fi walitti dhufeenyi hojjetoota gidduu jiru fayyaaleessa taasisuuf hojjetu bu'a qabeessummaa waldaalee iirratti dhiibbaa ni uuma					
2.4	Gaggeessaan/miseensi/ waldaa leenjiiwwan dandeentii gaggeessummaa dabalaa fudhatan bu'a qabeessummaa waldaalee iirratti dhiibbaa ni qaba					
2.5	Gaggeessaan waldaa isaa keessatti rakkoolee waan hin hiikamne fakkaataan hiikuu eegale daandii bu'a qabeessummaa waldichaa eegaleera jechuun ni danda'ama					
2.6	Sirna yaadnii fi fedhiin maamilaa itti sassaabamu diriirsuun bu'a qabeessummaa waldaalee dabaluu keessatti gahee guddaa qaba.					

2.7	Galma, imaammata fi kaayyoo waldaa maayikiroo xixiqqoo beekuun bu'a qabeessummaa waldaalee dabaluu keessatti gahee qaba.					
2.8	Waldaaleen maayikiroo xixiqqaa humna namaa fi qabeenya isaanii sirnaan hoggannaan bu'a qabeessa ta'uu ni danda'u					
3	Rakkoo Faayinaansii	1	2	3	4	5
3.1	Galma faayinaansii gooree tahe kan baroota itti aananuu qoheessuun bu'a qabeessummaa faayinaansiitiif gahee guddaa qaba.					
3.2	Maallaqni eessaa fi akkamitti akka bahu galmeessanii qabachuun bu'a qabeessumma waldaalee keessatti dhiibbaa qaba					
3.3	Dhaabbileen faayinaansii liqii gahaa ta'e dhiyeessuu hafuun isaanii bu'aqbeessummaa waldaalee irratti dhiibbaa qaqqabsiisa					
3.4	Dhaabbilee faayinaansii gahaa ta'an dhala muraasa taheen liqii waldaaleef dhiyeessan hin jiraachuu hafuun waldaaleen bu'aqabeessa akka hin taane taasiseera					
3.5	Adeemsi dhaabbileen liqii dhiyeessan ittiin liqii kennan baayyee walxaxaa yeroo tahu bu'a qabeessummaan waldaalee akka xiqqaatu taasisuu mala					
3.6	Dhaabbileen liqii kennaan dhala ol'aanaa dhaan liqii kennuun isaanii waldaaleen iyyannoo liqii akka addaan kutan taasisa					
3.7	Wabii qabsiisuun dirqama waan taheef waldaaleen wabii qabsiisan hin qabaanne bu'a qabeessa akka hin taane taasiseera.					
3.8	Qusannaan bu'a qabeessummaa waldaalee dabaluu keessatti gahee guddaa qaba					
3.9	Galmee herreegaa galmeessuun nuffisiisaa tahuun isaa waldaaleen bu'a qabeessa akka hin taane taasiseera					
3.1	Dhiyeessa liqii argatanii yeroon deebisuu hafuun bu'a qabeessummaa Faayinaansii 0 waldaalee irratti dhiibbaa ni qaqqabsiisa					
3.1	Waldaaleen maayikiroo fi xixiqqaa kaappitaala ka'umsaa gahaa tahe dhabuun 1 isaanii bu'a qabeessummaa waldaalee akka xiqqaatu ni taasisa					
3.1	Mootummaan waldaalee haaraa fi guddattuu ta'aniif deeggarsaa fi liqii addaatti 2 dhiyeessuu hafuun bu'a qabeessummaa waldaalee iirratti dhiibbaa ni qaqqabsiisaa					
4	Rakkoo Teeknooloojii	1	2	3	4	5
4.1	Jiruu guyyaa guyyaa keessatti teeknooloojiin jiraachuun bu'a qabeessummaa					

	waldaalee irratti dhiibbaa ni qaqqabsiisaa					
4.2	Mootummaan teeknooloojii irratti dhiibbaa uumuun bu'a qabeessummaa waldaalee irrattis dhiibbaa ni qaqqabsiisa					
4.3	Teeknooloojii boodatti hafaa fayyadamuun bu'aqabeessummaa waldaalee ni xiqqeessa					
4.4	Bakka hojiitti carraa maashinaa fi meeshaalee hojii adda addaa argachuun bu'a qabeessummaa waldaalee dabaluu keessatti gahee guddaa qaba					
4.5	Akkaataa teeknooloojii haaraatti fayyadamuun danda'amu irratti hubannoo argachuun bu'a qabeessummaa waldaalee irratti dhiibbaa ni uuma					
4.6	Sadarkaan itti quufinsa maamilaa teeknooloojiidhaan wajjin walsimaa yeroo deemu bu'a qabeessummaan waldaalee dabalaa adeema					
4.7	Dhiyyeessii fi oomishni hojii waldaalee teeknooloojiidhaan walitti hidhachuun isaa bu'a qabeessummaan waldaalee irratti dhiibbaa ni fida					
4.8	Deeggarsi teeknikaa gadi aanaan bu;a qabeessummaa waldaalee gadi buusuu keessatti gahee qaba					
4.9	Teeknooloojiiwwaan gosa adda addaatti fayyadamuun oomisha garaagaraa fi gosa adda addaa oomishuufi bu'a qabeessummaa waldaalee irratti dhiibbaa ni uuma					
4.10	Teeknooloojiin ce'umsa fi bu'a qabeessummaa biizinasiiif furtuu dha					
5	Rakkoo Bu'uuraalee Misoomaa	1	2	3	4	5
5.1	Walitti hidhamiinsi hawaasaa quubsaa hin taane, oomishaa geejjibsiisuu fi raabsuudhaaf akkasumas bu'a qabeessummaa biizinasii keessatti miidhaa qaba					
5.2	Bu'uuraaleen misoomaa kaka'umsaa hojii irratti fi bu'a qabeessummaa waldaalee waliin Walitti hidhamiinsa qaba					
5.3	Tajaajilli qunnamtii biizinasii keessatti Rakkoo ijoo yommuu tahu, innis bu'a qabeessummaa biizinasiiif dhimma murteessaadha					
5.4	Tajaajilli humna ibsaa, daandii fi bishaan gahaa tahe dhabamuun bu'a qabeessummaa waldaalee akka gadi bu'u taasisuu keessatti gahee qaba					
5.5	Bu'uuraalee misoomaa malee kaayyoo waldaaleen maayikiroo fi xixiqqaan hundaa'aniif galmaan gahuun hin danda'umu, kunis bu'a qabeessummaa isaanii					

	irrtti dhiibbaa geessisaa						
5.6	Waldaaleen tajaajila geejjiba fi daandii mijataa, ariitii hin qabnee fi gahaa taane fayyadamuun isaanii bu'a qabeessummaa waldaalee irratti dhiibbaa qaba						
6	RakkooWalitti Hidhamiinsa Gabaa	1	2	3	4	5	
6.1	Walitti hidhamiinsi gabaa bu'a qabeessummaa waldaalee irratti dhiibbaa ol'aanaa qaba						
6.2	Gabaa haaraa barbaaduun baayyee ulfaataa fi bu'a qabeessummaa waldaalee irratti dhiibbaa ni uuma						
6.3	Odeeffannoon gabaa gahaa tahe jiraachuun bu'a qabeessummaa waldaalee irratti dhiibbaa guddaa uuma						
6.4	Waldaaleen sochii isaanii keessatti fedhii tilmaamuu iirratti bu'uureffatanii hojjetan bu'a qabeessa ni tahu						
6.5	Waldaaleen walitti dhufeenyi fi haalli qabiinsa maamilaa isaanii harkifataa tahe bu'a qabeessa tahuu keessatti ni rakkatu						
6.6	Carraan beeksisa oomishaa baasuun fayyadamtoota harkisuu bu'a qabeessummaa waldaalee fiduu keessatti gahee qaba						
6.7	Waldaaleen Oomishaalee oomishaman karaa walitti fufiinsa qabuun fooyyeessaa adeeman carraan bu'a qabeessa tahuu isaanii ol'aanaadha						
6.8	Walitti hidhamiinsa gabaa waldaalee maayikiroo fi xixiqqaa fi waldaalee giddu galeessaa gidduu jiru laafaa tahuun bu'a qabeessummaa waldaalee maayikiroo fi xixiqqaa irratti dhiibbaa ni uuma						
6.9	Walitti hidhamiinsa gabaa waldaalee maayikiroo fi xixiqqaa fi dhaabbilee dhuunfaa gidduu jiru laafaa tahuun bu'a qabeessummaa waldaalee maayikiroo fi xixiqqaa irratti dhiibbaa ni uuma						
6.10	Walitti hidhamiinsa gabaa waldaalee Maayikiroo fi xixiqqaa fi Dhaabbilee mootummaa gidduu jiru laafaa tahuun bu'a qabeessummaa waldaalee maayikiroo fi xixiqqaa irratti dhiibbaa ni uuma						
6.11	Deeggarsa mootummaa malee qajeelfamoota mootummaan biizanasii ilaalchisee baasu irratti bu'a qabeessa tahuun hin danda'amu						
7	Rakkoolee bu'a qabeessumma waldaalee maayikroo fi xixiqqaa	1	2	3	4	5	

7.1	Ilaachi hojiin walqabatuu bu'a qabeessummaa waldaalee maayikiroo fi xixiqqaa dhiibbaa ni qaqqabsiisa					
7.2	Gaggeessummaan bu'a qabeessummaa waldaalee maayikiroo fi xixiqqaa irratti dhiibbaa ni uuma					
7.3	Faayinaansiin bu'a qabeessummaa waldaalee maayikiroo fi xixiqqaa irratti dhiibbaa ni geessisaa					
7.4	Teeknooloojiin bu'a qabeessummaa waldaalee maayikiroo fi xixiqqaa irratti dhiibbaa ni fida					
7.5	Bu'uuraaleen misoomaa bu'a qabeessummaa waldaalee maayikiroo fi xixiqqaa irratti dhiibbaa ni fida					
7.6	Walitti hidhamiinsi gabaa bu'a qabeessummaa waldaalee maayikiroo fi xixiqqaa irratti dhiibbaa ni qaba					
7.7	Bu'aan biizinasii irraa argamu bu'a qabeessummaa waldaalee maayikiroo fi xixiqqaa irratti dhiibbaa ni qaba					
7.8	Qabeenyi waliigaalaa waldaalee bu'a qabeessummaa waldaalee maayikiroo fi xixiqqaa irratti dhiibbaa qaba					
7.9	Baay'inni humni namaa bu'a qabeessummaa waldaalee maayikiroo fi xixiqqaa irratti dhiibbaa ni uuma					

8. Rakkoo bu'a qabeessummaa waldaalee maayikiroo fi xixiqqaa aanaa limmuu saqqaa irratti dhiibbaa uuman ilaalchisee yaada yoo qabattan_____

Yeroo keessan aarsaa gootanii odeeffannoo kana waan naaf guuttaniif guddaa galatoomaa!

Appendix IV
Correlation (2-tailed)

Correlations

		jobs	Mgts	Finance	Technology	Infras	market	performance
Jobs	Pearson Correlation	1	.477**	.564**	.640**	.570**	.439**	.629**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	187	187	187	187	187	187	187
Mgts	Pearson Correlation	.477**	1	.658**	.429**	.761**	.828**	.806**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	187	187	187	187	187	187	187
Finance	Pearson Correlation	.564**	.658**	1	.654**	.748**	.775**	.835**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	187	187	187	187	187	187	187
Technology	Pearson Correlation	.640**	.429**	.654**	1	.683**	.563**	.716**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	187	187	187	187	187	187	187
Infras	Pearson Correlation	.570**	.761**	.748**	.683**	1	.882**	.918**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	187	187	187	187	187	187	187
Market	Pearson Correlation	.439**	.828**	.775**	.563**	.882**	1	.906**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	187	187	187	187	187	187	187
performance	Pearson Correlation	.629**	.806**	.835**	.716**	.918**	.906**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	187	187	187	187	187	187	187

** . Correlation is significant at the 0.01 level (2-tailed).

Appendix VII

Model Summary, ANOVA, Residual statistics, Regression coefficients & Chi-Square test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.965 ^a	.931	.929	.14053

a. Predictors: (Constant), market, jobs, Technology, Finance, Mgts, Infrass

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	47.982	6	7.997	404.907	.000 ^b
	Residual	3.555	180	.020		
	Total	51.537	186			

a. Dependent Variable: performance

b. Predictors: (Constant), market, jobs, Technology, Finance, Mgts, Infrass

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.9186	4.7999	4.3043	.50790	187
Std. Predicted Value	-2.728	.976	.000	1.000	187
Standard Error of Predicted Value	.013	.076	.025	.010	187
Adjusted Predicted Value	2.9968	4.8023	4.3042	.50726	187
Residual	-.91856	.45378	.00000	.13825	187
Std. Residual	-6.536	3.229	.000	.984	187
Stud. Residual	-6.809	3.329	.000	1.016	187
Deleted Residual	-.99678	.48234	.00010	.14775	187
Stud. Deleted Residual	-7.880	3.427	-.004	1.062	187
Mahal. Distance	.668	53.622	5.968	6.970	187
Cook's Distance	.000	.564	.010	.046	187
Centered Leverage Value	.004	.288	.032	.037	187

a. Dependent Variable: performance

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.139	.054		39.451	.000
Jobs	.049	.013	.102	3.616	.000
Mgts	.050	.016	.120	3.226	.001
Finance	.068	.015	.159	4.534	.000
Technology	.056	.015	.121	3.818	.000
Infras	.152	.026	.288	5.890	.000
Market	.016	.003	.316	5.835	.000

a. Dependent Variable: performance

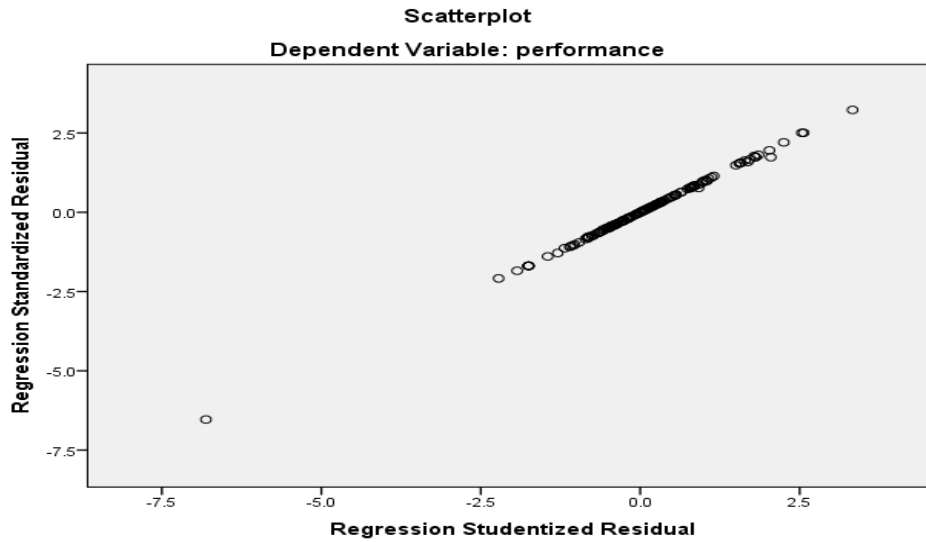
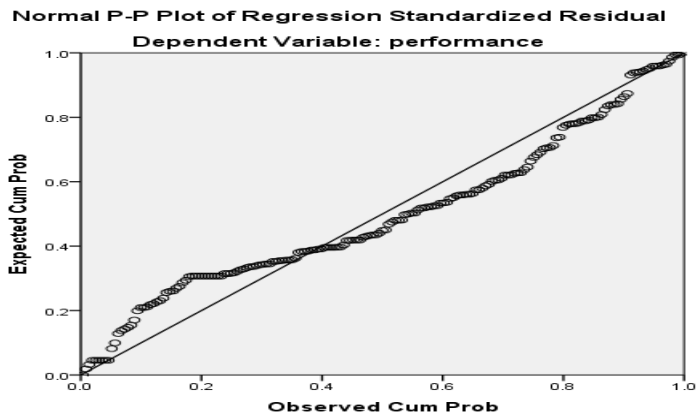
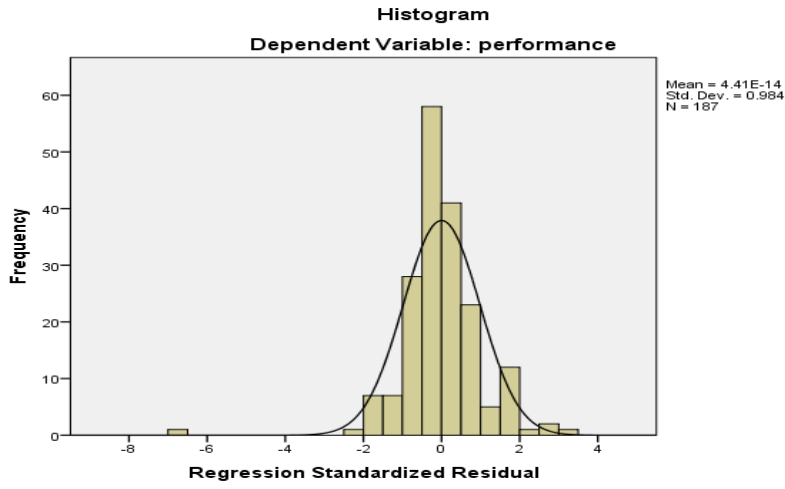
Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1260.862 ^a	286	.000
Likelihood Ratio	508.940	286	.000
Linear-by-Linear Association	152.523	1	.000
N of Valid Cases	187		

a. 320 cells (99.4%) have expected count less than 5. The minimum expected count is .01.

Appendix: VIII

Charts



Partial Regression Plot

Dependent Variable: performance

