



**FACTORS AFFECTING THE PERFORMANCE OF MICRO AND SMALL
ENTERPRISES (MSEs): THE CASE OF ADDIS ABABA CITY
ADMINISTRATION**

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Declaration

I **Shimels Zelekew**, have by declare that this thesis entitled; factors affecting the performance of Micro and small enterprises (MSEs) the case of Addis Ababa City Administration based on my original work except for quotations and citations which have been duly acknowledged. I also declare that it has not been previously or concurrently submitted to Addis Ababa University or any other institution.

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This is to certify that his thesis entitled “Factors Affecting the Performance of Micro and Small Enterprises (MSEs)”: The case of Addis Ababa City Administration was undertaken by Shimels Zelekew for the partial fulfillment of Master of Business Administration in Addis Ababa University, is an original work and not submitted for any degree either AAU or any other University. Now, it is submitted with my approval as a thesis.

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Acronyms

CSA	Central Statistics Agency/Authority/
FDRE	Federal Democratic Republic of Ethiopia
ReMSEDA	Regional micro and Small Enterprises Development Agency
ICTs	Information and Communication Technologies
ILO	International Labor Organization
MFIs	Micro-Finance Institution
MoFED	Minister of Finance and Development
MoTI	Minister of Trade and Industry
MSEDA	Micro and Small Enterprises Development Agency
MSEs	Micro and Small Enterprises
SD	Standard Deviation
SPSS	Statistical Package for Social Science
UNIDO	United Nation International Development Organizations

Abstract

The main objective of this study was to investigate factors that affect the business performance of MSEs that currently working in Addis Ababa City Administration. This study was employed a descriptive and explanatory research design and quantitative research approach. Both primary and secondary data was employed. Questionnaire was that main data collection instrument. Among 9795 MSE operators, 384 sample size were selected using stratified and simple random technique. After the data has been collected, it was analyzed using simple statistical techniques. The descriptive and inferential statistical tools were used, Pearson correlation and multiple linear regression were used to analyze the relationship and difference between independent and dependent variables. Statistical Package for Social Science (SPSS) version 26 was used to analysis of quantitative data from questionnaire questions. Furthermore, the research finding shows that among the independent variables financial factors, infrastructural factors, access to business information service problems and institutional coordination problems were the major factors that significantly affect the performance of MSEs. Based on the findings the study was recommended that financial institutions such as banks and micro finance institutions should improve access to finance problems of MSEs operators, all other governmental institutions/bodies/ should give attention and should improve access to infrastructural, access to business information service and institutional coordination problems in order to improve the performance of MSEs in Addis Ababa.

Keywords: *Micro and Small Enterprises (MSE), performance, factors affecting, entrepreneurship, Kirkos and Arada sub-cities, Addis Ababa.*

CHAPTER ONE

INTRODUCTION

1.1. Introduction

This chapter provided a brief explanation by introducing the key concepts in the background section followed by problem statement, research questions, research objective, research hypothesis, the significance of the research, scope of the study, limitations of the research as well as the organization of the study.

1.2. Background of the Study

Micro and Small Enterprises (MSEs) are described and classified differently in different countries, and also there was no widely agreed-upon definition (SHIFERAW, 2017). All country gave their explanation based on the role of MSEs which were expected to play in the economic growth and their strategies of assistance planned to achieve the goal. There is also different meaning among countries that may arise from deference in their industrial organization at the deferent level of economic growth in parts of the same country (Wangeci & Mathuva, n.d.).

According to the Ethiopian Micro and Small Enterprises Development Strategy (Seyoum et al., 2014), MSEs are businesses with a paid-up capital of less than Birr 20,000 and excluding high-tech consultancy firms and other high-tech establishments, whereas small businesses have a paid-up capital of more than Birr 20,000 but less than Birr 500,000 and excluding high-tech consultancy firms and other high-tech establishments.

Micro and Small Enterprises (MSEs) are described as a key driving force of economic and social development all over the world. (Debela, 2014) stated that the MSEs are critical to a country's economic and industrial growth. MSEs contribute significantly to a country's economic and social growth by stimulating large scale-jobs, investment, the promotion of entrepreneurship and innovativeness, increasing exports, and building an industrial base at different scales.

(Abera, 2012) stated that MSEs are widely acknowledged as an important component of economic growth and a key component in the effort to left countries out of poverty. The dynamic role of MSEs in developed countries as engines for achieving country growth objectives has long

been recognized. MSEs employ 22 percent of the adult population in developing countries according to an estimate of (Abdumelike et al., 2018). This indicates that MSEs are significant means to increase the country's economy, industrial growth, to overcome unemployment problems, can facilitate the environment for new job seekers and self-employment and poverty reduction.

MSEs are important sources of job and economic development in developed countries, accounting for more than 50% of GDP and 60% of employment. However, in developing countries, MSEs account for less than 30% of employment and 17% of GDP. According to ILO, (2002) study conducted in Africa, just 20% of the total population of working age in many African countries were reported to have been working in the small enterprises' sectors.

Following agriculture, MSEs are Ethiopians second most important source of employment (CSA, 2005). According to (Statistical, 2012), the sector contributes 3.4% of GDP, 33% of the contribution of the industrial sector, and 52% of the contribution of the manufacturing sector to the GDP in 2001. Despite the importance of the micro and small enterprises (MSEs) sector to Ethiopia's economy in terms of job creation and poverty alleviation, the sector is facing many problems such as lack of access to finance, insufficient infrastructure, a small loan size, etc., that have limited its ability to play a role in the economy (Ageba & Amha, 2006).

The MSE sector has also been a means in contributing to economic change by providing goods and services, which are acceptable quality and are equitably priced, to a huge number of people, and by successfully using the skills and capacities of a large number of people without asking high-level training, a large amount of capital or sophisticated technology (ILO, 2002). Similarly, (Asgedom, 2016) stated that in many countries, the MSE sector generates significant employment and economic output. MSEs agree that overall employment is higher in developing countries, which are primarily focused on small-scale production. Micro and small businesses (MSEs) are undeniably important for economic development.

In contrast, both developing and developed countries are concerned about the high rate of failure of micro and small enterprises businesses. According to many reports, for instance (Maow, 2021); 80-90% of MSEs fail within five to ten years.

Owners of small and medium-sized businesses face challenges such as changing markets, a wide range of technologies, skills, and resource shortages (Gummesson, 1997). As a result, there are many additional problems in MSE, such as political instability, a lack of human capital and infrastructure, mistrust of authority, and the vulnerability of government police forces, which are all issues that small and medium-sized businesses face. Micro and Small Enterprises (MSEs) businesses need all stakeholders' participation and managerial talent to overcome their depressive condition and achieve a higher degree of competence to compete globally and for accelerated growth (Al-Haddad et al., 2019).

Therefore, this study was aimed to investigate factors that affect the performance of micro and small enterprises (MSEs) concerning financial, infrastructural, institutional coordination and access to business information problems (factors) in the study area.

1.3. Statement of the problem

Micro and small enterprises (MSEs) are crucial and a key for sustainable growth and development in almost all economies around the world, especially in developing countries such as Africa and Ethiopia. According to (Etumeahu, Henry Emeka, Chinedu Christian Okekeke, Kingsley, 2009) MSEs are widely regarded as the driving force behind economic development, job creation, and poverty reduction in developing countries. They have been a vehicle for achieving accelerated economic growth and rapid industrialization. According to the Ethiopian government's strategy, Growth and Transformation Plan (EPA, 2012). Micro and small businesses are the bridge to achieving the government's goals in Ethiopia. Despite these contributions, MSEs continue to face significant challenges in terms of growth and development, including a lack of both equity and debt financing, insufficient infrastructure, technological, lack of managerial and expertise supports, etc., factors.

For example, infrastructural factors affect the MSEs' business performance. If there is adequate access to infrastructure such as road access, electricity, water, transportation access, etc., the MSEs owner can access reliable and quality products and services to their customers. If customers can get reliable and quality products and services, they can be satisfied and increases their loyalty to the MSEs. The same is true if there is access to finance, access to adequate

technology and good institutional coordination, etc. If not their business performance can be faced with different kinds of challenges.

Many studies have been undertaken on factors that affecting the performance of the micro and small enterprise. For instance, the studies done by (Mezgebe, 2012) study suggested various solutions for different aspects of the problem such as working premises, infrastructure, marketing information, the poor management system of MSEs, unfavorable and low economic conditions, inadequate financial accesses, political instabilities, and so on. For instance, the study done by (Batisa, 2019), on MSEs operating in Nigeria reports that the absence of management experience of the small business owners is the main reason for small business failure in Nigeria. The result of the study indicates that most business owners who do not have management experience and adequate training and skills to operate a business faces a problem of collapse of their businesses.

(Bowen, 2007) found that there is fierce competition in the small business sector which leads to price competition and a small margin of profit. (Olawale & Garwe, 2010) also, show that high competition is among the major factors that hinder the development of micro and small enterprises. This is due to the reason that most of MSEs tend to assemble in dense markets and overcrowded cities.

The study done by Ethiopia CSA explained that the contribution of small enterprises in job-creating opportunities and the development of our economy is important (Abdissa & Fitwi, 2016). However, their contribution is very low in comparison with that of other countries due to financial problems, lack of qualified employees, lack of proper financial records, marketing opportunities, lack of working premises, and raw materials. This problem fails these businesses to expand the effect of preventing almost from the beginning of their operations. This means that if the MSEs cannot get support from governments, effective and skill training, financial and non-financial support, working premises, and raw materials, MSEs business cannot play a very significant role in the economic development.

While the influences of micro and small enterprise (MSEs) business to expansion are generally recognized, entrepreneurs in this sector face many problems that affect their continuing survival and growth. MSEs are anticipated to play a very important role in Ethiopia's economy towards

becoming a middle-income country in the next decades; however, these infant MSEs are facing different kinds of challenges, which enormously affect their performance (ILO, 2005).

As a study conducted by (Ageba & Amha, 2006), the problem of MSEs is access to working capital, insufficient infrastructure, and high cost restricted managerial and technical experts and market problems.

Even though several authors have agreed that MSEs have the problems mentioned above, they are still disagreeing on each idea. For instance (Wattanapruttipaisan, 2003), a major problem for MSEs in developing countries is a lack of access to capital. In contrast, (Matfobhi & Ruffing, 2002) argued that the major constraint to MSE development, expansion, diversification, and promotion is the loan word, or medium and long-term credit, rather than a lack of access to finance. So, according to the Wattanapruttipaisan (2003) and Riba (1999) argument above, there are still inconsistencies /a gap/ regarding the factors affecting the performance of MSEs in access to capital. Therefore, this study will identify the gap to investigate the existing problems in terms of financial or access to capital.

On the other hand, various studies have been conducted in Ethiopia and particularly in Addis Ababa. For instance, a study carried out by (Shantiko et al., 2013) has focused on the Socioeconomic role's challenges of MSEs. Here, he has not assessed the factors affecting the performance of MSEs in their businesses. Another study carried by (Abel, 2014) has conducted about challenges of MSEs only in the service and manufacturing sectors. In this case, the researcher has not touched these issues in the other three sectors namely, trade, construction, and urban agriculture sectors. In addition, unlike the above studies, (Micro et al., 2018) have conducted research deals with the factors affecting the development of MSEs and factors affecting the capital growth of MSEs respectively. Here, the two researchers were only concentrated on factors affecting the development of MSEs and capital growth of MSEs, and also they tried to investigate different factors related to the development and capital growth of MSEs respectively. Therefore, the researcher did not touch on the issues in the business performance of MSEs in the study area.

In addition, the studies were conducted several years ago, and there have been economic, political, and socio-cultural changes since then. Any good policies and strategies need to rely on

timely information if they are to promote micro and small-scale enterprises with the view to increasing their contribution to poverty reduction and economic growth.

Therefore, this study focused on investigating factors affecting the performance of MSEs regarding the four independent variables which are financial factors, infrastructural, institutional coordination, and access to business information service factors in the study area. In doing so, this study addressed the factors affecting the performance of MSEs in four sectors namely; manufacturing, service, trade, and construction sectors.

1.4. Research questions

The study addressed the following research questions;

1. How does access to finance affect the performance of MSEs in the study area?
2. To what extent does infrastructure affect the performance of MSEs in the study area?
3. How does the institutional coordination problem can affect the performance of MSEs in the study area?
4. How does access to business information service can affect the performance of MSEs in the study area?

1.5. Objectives of the study

1.5.1 General objectives of the study

The general objective of this study is to investigate the factors affecting the performance of Micro and Small Enterprises (MSEs) in the study area.

1.5.2. Specific objectives

The specific objectives are;

- To investigate the extent to which access to Finance by MSEs affects their business performance in the study area.
- To examine the level to which Infrastructure /Electricity, water, road, buildings/affect the business performance of MSEs in the study area.

- To investigate the level of Institutional coordination problems that affect the business performance of MSEs in the study area.
- To investigate the level of access to business information service problems that affect the business performance of MSEs in the study area.

1.6. Hypothesis

H1: Access to finances has positive influences on the performance of Micro and Small Enterprises (MSEs) in the study area.

H2: Access to infrastructure has positive influences on the performance of Micro and Small Enterprises (MSEs) in the study area.

H3: An institutional coordination has positive influences on the performance of Micro and Small Enterprises (MSEs) in the study area.

H4: Access to business information service has positive influences on the performance of Micro and Small Enterprises (MSEs) in the study area.

1.7. Significance of the Study

This study was supposed to give the following significance;

Understanding the factors affecting the performance of MSEs business can enable to management, solve the problems and the owners of the MSEs business may improve their performance to reach their business objective.

The finding of this study also helps MSEs in the study area and others, within insight into the benefits of using different factors studied in this research to predict the factors that affect the performance of SMEs. Moreover, the finding of this study serves as input for planning and policy formulation, academicians in a related area, consultants, and government agencies, and also can consider as important additions to the existing knowledge and literature in the area for the public at large.

1.8. Scope of the Study

In Addis Ababa city, there are many micro and small enterprises operating, each of them faces many challenges, which affect them from growing and contributing to the economy effectively. However, due to many constraints like time, cost/budget, and other resources, it is difficult to study including all micro and small enterprises found in country. Therefore, this study delimited only to investigate factors affecting MSEs' business performance in Addis Ababa city administration MSE, and also the study delimited on members of the MSEs engaged in manufacturing, service, trade, and construction sectors.

1.9. Limitation of the study

Similar to all other researches, this study has limitations. Firstly, the limitation of this study was that it was only conducted with four independent variables and only in Addis Ababa City Administration. The sample chosen does not represent the sample frame of all MSEs out of Addis Ababa. Secondly, the other limitation of this study was data collection instrument was only a questionnaire.

Lastly, some of the respondents did not voluntarily return the distributed questionnaire. It affects the paper quality to some extent. Even if the above limitation has happened, the researcher can face the limitations and tries to investigate the objectives of the research.

1.10. Organization of the Study

The study is organized into five major chapters. The first chapter is comprised of the information concerning the background of the study, statement of the problem, objectives of the study, significance of the study, scope, and limitation of the study, hypothesis, and organization of the study. The second Chapter focused on reviewing related literature. It includes a brief description of the literature review such as theoretical reviews and empirical findings, the conceptual framework of the study which served as subsequently related to the study. The third chapter is divided into sub-sections such as research design and methods (data sources, target population, sampling techniques, data collection methods, reliability and validity, and ethical consideration, and analysis of the study. The fourth chapter presented Data Presentation, Analysis and Interpretation and the last chapter five presented a summary of findings, major conclusions, and sets recommendations on how to enhance small and micro-enterprise challenges.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

This chapter has explained the review of literature on the research title “Factors Affecting the Performance of MSEs in Addis Ababa city Administration”, and also this chapter was discuss a review of different theoretical and empirical studies in the concept of MSEs business performance and influences that challenge the performance of the MSEs operating which is known as independent variables. In this chapter, the study was also include the concept of MSEs, the role of the MSEs, the concept of performance and its measurements, and the conceptual framework.

2.2. Theoretical Literature

2.2.1. Definition of Micro and Small Enterprises (MSEs)

There are no generally agreed-upon concepts of Micro and Small Enterprises (MSEs) business. MSEs are described differently in different countries, by multilateral organizations such as the World Bank and the United Nation Development Program (UNDP), and by their scale, scope, and geographical location. Different countries define their definition based on the importance of MSEs in economic growth and develop their strategies to achieve the objective. Deference in their industrial organization at the deferent level of economic growth in different parts of the same country may also result in different meanings among countries (Oladejo, 2011).

(Oladejo, 2011) stated that there are no single criteria for categorizing business enterprises as small or medium size globally. Over fifty meanings were found in 75 countries in a survey conducted by the International Labor Organization(ILO, 2006). Small and medium-sized businesses are often referred to as SMEs, but there is no general agreement about what that word means.

According to (Joshua Alabi, 2007), the basic metrics used in the definitions could include a variety of factors such as the number of employees, financial profitability, net revenue, comparative scale, initial capital outlay, and industrial categories.

The number of employees, total net assets, revenue and expenditure levels, number of annual working hours, annual turnover, annual balance sheet or amount of output, and freedom from the dependency of the organization is some of the commonly used requirements for MSE classification in different countries (Ginbite, 2017). The number of employees and the yearly benefit seems to be the best criteria used to define MSEs (Peacock, 2004), and (Broom, 1983) argues that although the number of employees is the most commonly used criteria, the best criterion in each case is determined by the users intent.

According to the Ethiopian Micro and Small Agency (FMaSE,2011), MSEs are classified as small and medium enterprises with 6 to 30 employees or a total asset value of birr 100,000 to 1.5 million birr in the industrial sector and 50,00 to 500,000 birr in the service sector. Medium enterprises are business enterprises in Ethiopia's manufacturing and service sectors with a total asset of more than birr 500,000 and a sum asset of more than 1.5 million birrs respectively (Addis Ababa 14 MSEs development agency bureau, 2011 as cited on Addis Ababa communication office bureau). However, in terms of size, capital, and several workers, there is still no strong distinction between medium and large businesses.

According to Kayanula and Quartey (2000), the official concept of enterprise size in Malawi is based on three criteria: investment capital, employee count, and turnover:-

If an organization meets two of the three requirements, it is classified as small scale: it has a capital investment of USD 2,000 to USD 55,000, employs 5-20 employees, and has a turnover of up to USD 110,000 (using 1992 official exchange rate). Some of the main characteristics of small enterprises, according to the same scholars, are mobilizing funds that would otherwise be idle, being a seed-bed for indigenous entrepreneurship, their labor intensiveness, employing more labor per unit of capital than large enterprises, fostering indigenous technical know-how, and using mostly local resources, requiring a less foreign exchange.

As a result, as we can see from the various definitions above, there is no generally accepted definition of MSEs. Different scholars use their criteria to describe MSEs based on the degree of development of the topic.

2.2.2 Role of Micro and Small Enterprises (MSEs)

Micro and small businesses (MSEs) have played a larger role in a variety of socio-economic benefits, including stimulating entrepreneurial overall growth, contributing to the transformation of the traditional sector into a new one, creating jobs, reducing rural-urban migration, and serving as a training ground for managerial skill acquisition (Asaolu 2001 and 2004, Parker 2004; Van Stel, Storey and Thurik 2007). Micro and small enterprises are critical for long-term growth in almost all economies.

A high failure rate in SMEs is extremely unfavorable for an economy, especially one that is developing and lacking in the capital (Okpara and Wynn 2007). It has also been suggested that the main challenges facing the poor in developing countries are access to resources, knowledge, and state markets, such as the fragility of local community markets coupled with environmental degradation (Alhaji & Muharram, 2019).

In many developed countries, micro and small businesses are involved and dominate the economy. Many African countries have prioritized them in their development plans. According to Eke (2007), small businesses account for more than 93% of all entrepreneurs in developing countries. Small businesses in Japan accounted for 99.4% of all business institutions, hiring 81.1% of the labor force and contributing 51.8% of total exports (Cowdhury and Kazuh).

The MSEs sector is regarded as an important component of economic growth and a key component in efforts to lift countries out of poverty (Wolfenson, 2001). Small-scale enterprises are the root of economic growth, job creation, and poverty alleviation in developing countries. Furthermore, small businesses have been viewed as a source of supply for larger-scale industries (Fabayo, 2009). In this regard, Ethiopia's MSE Development Program has received attention from the government since 2004/2005.

The national strategy was implemented by the Federal MSEs Development Agency, which was only coordinated at the national level until 2004/2005. Due to this reason, it was difficult to put the strategy into practice, especially in terms of providing outbound business development services to MSE operators. As a result of observing the sector's critical position and the problems faced by MSE operators since 2004/2005, Ethiopia's government has decided to create a regional MSE coordinating body.

2.2.2.1 Contributions of MSEs for job creation

In most advanced economies, Micro and Small Enterprises (MSEs) are seen as solutions for economic development, modernization, employment creation, income generation, and technological advancement (Acs & Audretsch, 1990; Bhutta, Rana & Asad, 2008). As Kadiri (2012) pointed out, the phrase “Micro and Small Enterprises” is widely used in the business world because this sector is essential for job creation, national development, poverty reduction, and economic development. Employments perspective are greater for small-sized enterprises than for large corporations and multinational corporations. Micro and small enterprises businesses are critical to poverty reduction, social progress, and economic growth. Economic growth will be accomplished by establishing prosperous industrial enterprises, which will create employment opportunities for the general population in the community in which they work. Job opportunities will increase people’s disposable income, resulting in increased demand for goods and services, as well as on-demand purchases. This will also help to improve living conditions and poverty (AlHadded et al., 2019). MSEs increased their contribution to job growth in the EU by an average of 1.1 million jobs a year, or 0.9% a year, from 20002 to 2010. MSEs generated 0.9 million jobs per year, accounting for 85% of the overall rise (De Kok et al., 2011).

2.2.3 Micro and small enterprises in Ethiopia

In Ethiopia, the government has established a National MSE Development and dissemination strategy in 1997, which was explained in a systematic approach to minimize the constraints and promote the growth of MSEs. The overall objective of the strategy is to create a conducive environment for MSEs, with specific objectives to facilitate economic growth; bring equitable development; create long-term jobs; strengthen cooperation between MSEs; promote export; equal preferential treatment between MSEs & larger business enterprises. The strategy focuses on contingency measures and beneficiaries such as small manufacturers in food, textiles, leather, clothing, metal works, and crafts, self-employment, beginning and expanding firms (focus on women-owned), small enterprises in nomadic and disaster areas; agro-business and small scale farming and fishing, small and sub-contractors; small exporters; as well as small-scale tourism operators (FDRE MoTI, 1997). Similarly, Addis Ababa City Administration MSE Development Agency has developed different strategic manuals and policy directives concerning capacity building, financial management, service cluster, level of transition of MSES, scaling up best

practices, etc. In the year 2011/2012 for the productive implementation of MSE followed by dissemination of documents and massive training. According to research carried out by Commission on Legal Empowerment of the Poor in 2006 the private sector in Ethiopia is characterized by high domination of MSEs of low-income groups accounting for the large of nonagricultural economic activities and particularly, concentrated in the production and consumption of textiles, food and beverage processing. Furthermore, according to (Commission on Legal Empowerment of the poor, 2006) the research report revealed that most MSEs are characterized by simplicity of access and account for the majority of the population and that the majority of them are located in rural areas.

2.2.4 Ethiopia's Micro and Small Enterprise Promotion policy

The function of the micro and small enterprise (MSEs) is important in the mitigation of poverty by the means of employment generation. In 1997, a national MSE development strategy was developed as a result of this knowledge. Ethiopia's MSE policies were created to decrease poverty in urban areas while also encouraging entrepreneurship and playing a role in industrial growth. The strategy was reviewed in 2010/2011 with regenerate interests and more aspiring focuses on employment and number of entrepreneurs and the process of change from small to medium size level (Addis ReMSEDA 2009).

MSE development is one of the most important concentrated areas of the country's development strategy, receives significant support from the government in the form of access to finance, market, technology, training, and also working premises/area/. The government hardly believes that MSEs are the basic solution to mitigate urban unemployment and also reduce poverty.

Ethiopia formulated a stratum policy support in which MSEs are categorized into three stages namely; start-ups, growing-meddle, and maturity stages. Start-up stage enterprises refer to those enterprises found at their establishment stage and comprise a group or individual aspiring entrepreneurs that want various supports to make their enterprise operates. At this stage, the basic challenges are lack of initial and working capital, poor knowledge of business management and entrepreneurship, and lack of know-how about the different government policies and directives related to the sector. To minimize the above problems, FEMSEDA has developed a strategy that focuses on facilitating access to capital, assisting MSEs in the formalization and

legalization process, and providing training in company management, entrepreneurship, and manufacturing techniques.

The growing phase of enterprises refers to those enterprises that are competent in the market in terms of price and quality and successfully implementation of the different government supporting packages and they are also profitable in their business. At this stage, enterprises are challenged by different problems such as financial challenges, technical skill, absence of sufficient working and sales premises, loan accesses and bureaucracy of the institution, lack of knowledge the way how they can use technology, and low accesses to international standards and better production technology. To reduce these problems, FEMSEDA has formulated a national strategy that focuses on access to financial support, training, and technological development program. The last stage is the maturity stage which refers to enterprises that are considered to have arrived fully profitable and engaged in another expansion and investments in the sector. FEMSEDA now has a strategy in place to help businesses improve their efficiency and product quality. Moreover, at this stage, enterprises have knowledge of international standards and better production technology than from start-ups and middle-growing stage enterprises.

2.3 Concepts of Business performance

Performance is doing something in the right way or doing something successfully using knowledge as distinguished from merely possessing it (Global Entrepreneurship monitor 2004). However, performance seems to understand and evaluated in different mechanisms thus making cross-comparison difficult. According to Martin (2010:67), performance is characterized simply in terms of production, such as qualified objective or profitability. In small business literature, performance has been the focus of comprehensive and increasing analytical and philosophical investigations (Bidzakin K.J., 2009:31).

According to Rami and Ahmed (2007:6-13), the most widely accepted concept of performance or success is financial strength with ample income. Other concepts of achievement, such as good results, apply equally to both work satisfaction and financial development as a result of increased earning. For example, some entrepreneurs consider the good result to be job satisfaction they get from achieving standard target or goal. Most researchers and practitioners, on the other hand,

have widely embraced financial growth as a result of rising profits in market performance models.

2.3.1. Measures of performance

A business firm could measure its performance using financial and non-financial measures. The financial measures aggregate profit before tax and turnover whereas, the non-financial measures included issues deserving to customers' satisfaction and customers' referral rates, delivery time, waiting for time, and employees' turnover.

Performance measuring is commonly carried out by subjective evaluation of the business firm themselves, either by evaluating their satisfaction with the achieved descriptors of effectiveness and efficiency (meeting expectations, i.e. Plans), or by initiating themselves against their competition (Dess, et al. 1984) Lebars & Euske (2006) as it was cited in Corina, G. et al. (2011) provide a set of definitions to clarify the meaning of organizational performance:

Lebars & Euske (2006); Kaplan & Norton (1992) states that performance is determined in terms of financial and non-financial indicators which offer information on the level of achievement of objectives and results. Performance is conditional, requiring judgment and interpretation. Performance may be clarified by using a causal model that explains how current actions may affect future results. Business performance is the most common metric used to evaluate a company's performance.

According to WalkerandBrown (2004), small business performance can be measured by financial and nonfinancial criteria although the former has been given the most attention in the literature. Non-financial measures of performance used by business owners, such as autonomy, job satisfaction, or the ability to balance job and family responsibilities (WalkerandBrown, 2004, Mohan-Neill 2009) are subjective and As a result, they are more difficult to quantify because they are defined by the individual. Non-financial measures are based on criteria that are personally determined by the individual business owner although commonalities within the partners of small business owners occur.

Alasadiand Abdelrahim (2007) stated that, due to the problem of universally accepted standard performance measures, each business organizations decide and choose its performance measure that might not truly reflect its performance. This type of performance measures includes but are

not limited to market share, sales volume, company reputation, return-on-investment (ROI), profitability, and established corporate identity. While some may argue that the majority of these performance measurements are suited for large firms, they are not always ideal for small enterprises. The financial measure of success, which is the growth of total capital of the firms, is employed in this study since it is better than non-financial measures in terms of lowering the subjectivity of measurement outcomes.

2.4 Factors affecting business performance

Micro and Small Enterprises (MSEs) are challenged by many constraints/or factors that affect their business performance and they are well competitive enough in the market in which they operate. Factors that affect the business performance of MSEs are; financial factors, infrastructural factors, and institutional coordination problems are explained as follows.

2.4.1 Financial Factors

Finance is one of the most important components for a company's efficient and long-term development. Since financial access is critical to gaining access to capital and necessary markets. According to various studies, small and medium-sized businesses begin with their investments, which are supplemented by borrowing from friends and relatives. Because of this, many operators/ owners are poor and start their businesses with little money. The majority of them developed their financial access through informal credit mechanisms that exist within their society, but they only receive and stare from formal sector institutions on rare occasions (Sethuraman, 1997). Borrowers from formal businesses are not only managing by government control, but they often also manage by public sector dominance and are often regulated by a bureaucracy that is generally hostile to the poor, uneducated, and semi-educated in the small business sector.

2.4.2 Infrastructure Factors

The majority of small businesses face difficulties due to a lack of suitable location for their operations, and many of these businesses are situated in areas with insufficient supply and economic infrastructures, such as roads, water and electricity, telecommunications, working spaces, transportation system, and technology. Small businesses that have access to these

facilities have a comparatively high cost per unit of service as compared to middle or high-income populations. Furthermore, small businesses are unable to invest in private-public goods (Reinikka and Svensson, 2002) or obtain services from private vendors at service raise small business operating cost, restrict their ability to meet quality requirements (hygiene standards at a lower cost than obtaining services from government providers (Ishengoma, 2004). Inadequate economic infrastructure and limited access to public services raise small businesses' operating costs, restrict their ability to meet quality requirements/standards/ and prevent them from participating in linkage relationships (Collier, 2000).

Generally, poor road conditions, inaccessibility to property, workspace, electricity, and utilities are all part of the infrastructure issue. In most urban and rural areas, a lack of suitable land for MSEs is a major impediment to growth and development. According to Ombura (1997), infrastructural networks are valuable tools in network economies. Infrastructure and related services enable things to happen; they feed and are fed by trade, drive foreign direct investment, support the growth and sustainability of industrial clusters, and reduce costs and improve productivity. It becomes an ongoing, long-term process of managing change by a variety of actors for the sake of long-term growth (Tewdwr, 2004).

2.4.3 Institutional coordination problems

According to Viinamaki (2004), If there is more linked coordination in all levels of administration, the common outcome, solidarity, will be arrived at the most relevant way, because coordination is a tool for bringing different components together. To solve complexities and unintentional losses, any operation in enterprises requires coordination of various types of functions within and between firms (Enright, 1992).

In several ways, coordination is linked to confidence and success. It also produces results because it establishes the requisite confidence for achieving results through networking. As a result of the internal and external challenges that come with running a company, teamwork becomes an important factor. Because of its focus on interdependence, collaboration, confidence, efficiency, and competition, coordination is a part of networking research. It is possible to improve MSEs' overall performance by establishing relationships with other internal and external

relevant organizations, having well-designed plans, functional systems, strong knowledge supports and providing financial and other facilities.

The main goal of this study will emphasize the internal and external importance of coordination, as well as address the questions of how coordination can lead to improved organizational performance and how coordination can assist in improving organizational performance.

2.4.4 Access to business information services problems

If the MSE sector in developing nations is to attain sustainable levels of growth and development, governments and business service providers must pay attention to access to business information services. Due to a lack of effective business support services and insufficient information technical infrastructures, many African businesses operate in an information-poor environment (Oshikoya & Hussain, 2007). Access to information has however not been given the same attention as other constraints to the growth of MSEs like access to finance, infrastructure, markets, technology, or training.

With the development of various information and communication technologies, access to corporate information services has dramatically improved over time. Because of well-established information and communication technologies (ICTs) infrastructure and easy access to computer hardware and software, MSEs in industrialized countries have easy access to business information services.

There are numerous issues in developing economies when it comes to ICT infrastructure and the cost of IT gear and software. This has resulted in a slew of issues in the field of MSEs' access to business information services. As governments and business service providers work to address the many difficulties facing the MSE sector, it's also critical to understand how people are now using ICTs to get business information services so that more development assistance may be provided (Levy, 2000).

2.5. Empirical Review

The key factors affecting the success of micro and small enterprises (MSEs) in developing countries, according to (Mead & Liedholm, 1998) and (Islam, 2016), are not their small size but their isolation, which prevents access to markets, knowledge, finance, and institutional support. The argument that small businesses in Africa are crucial in the role they play in employment creation and general contribution to economic growth is not new. Even while this is true, the great majority of new businesses are one-person operations (Abera, 2012). This has tended to ensure that the path of the micro and small business entrepreneur is always short-lived, with the failure rate of micro and small businesses in Africa estimated at 99 percent (Katwalo, 2010).

A study conducted by (Kinyua, 2013), on factors affecting the performance of micro and small enterprises (MSEs); the study stated that MSEs' access to finance could positively influence the achievements of MSEs in Jua Kali sector. According to Muiruri (2014), Jua Kali entrepreneurs have financial social demands that conflict with commercial capital, causing capital to be diverted away from company needs. According to Kinyua (2014), several businesses believed it was difficult to obtain loans since they had to provide credit records and did not completely comprehend the procedures for obtaining and repaying loans. Generally, he revealed that MSEs' access to finance could positively influence MSEs in Jua Kali sector. Access to finance, on the other hand, has not yet been effectively utilized to the benefit of the MSEs in the study area.

A study conducted by (Kinyua, 2014) on factors affecting the performance of micro and small enterprises (MSEs) in Limuru town market of Kiambu country, Kenya, in financial and infrastructural aspects, the study stated that access to finance and infrastructure are the basic socio-economic factors that challenge the growth of businesses in Limuru town market.

A study conducted by (Hadis & Ali, 2018) on MSEs in Ethiopia; linkage and implications: evidence from Kombolcha town, in attitudinal and coordination aspects, study stated that MSEs linkage with the financial institution is weak caused by inefficient managerial and policy-related barriers. In addition, entrepreneur's perception of local government support as unimportant and gaps in quality produces and technical skills are the factors affecting the business performance of MSEs.

Berger et al. (1998) researched the financial and infrastructural factors that influence MSE performance. According to the findings of the study, finance plays an important role in the performance of micro and small enterprises (MSEs) businesses. Their research has revealed the lack of financial and infrastructure resources accessible to smaller businesses compared to big businesses, as well as the impact on their performance and development.

Lack of physical infrastructure is a major cause of low levels of investment and the dissatisfactory performance of micro and small enterprises (MSEs). (Bank, 2012) has identified poor infrastructure as a critical factor that constrains business performance in Ethiopia. Poor road conditions, inaccessibility to land, workspace, energy, and utility services are all part of the infrastructural challenge. Lack of the availability of land resources to MSEs in most urban and rural areas is a major challenge to growth and development. Low accesses to land and lack of property rights affect access to infrastructure and utilities by line MSEs (Ginbite, 2017). A study conducted by (Ebabu Engidaw, 2021) a study on factors affecting the performance of small and medium-sized enterprises founded that a critical factor affecting performance is infrastructure with a significant level of 0.000, it shows that with the absence of suitable infrastructures like; power, good road network, effective communication system and functional available of the market that can absorb the finishing products business may not survive.

A study was done by (Konso & Mitiku Mekonnen, 2018) on factors affecting the performance of MSEs shortage of access to external financing is considered MSE expansion has been hampered by this issue, which has resulted in a high percentage of failure among those businesses. In another study (Mirza, 2013) finance and performance in MSEs are significantly related with 0.000 at a 5% significant level. This emphasizes that finance has a determinant effect on business performance. (Atalel Fetene(2017), also found that finance has a significant effect on business performance.

2.6. Conceptual framework

The emphasis of this study's conceptual framework is one of the factors affecting micro and small enterprises' (MSEs) business performance. To define the relationship between variables, the variables in the conceptual framework tested the hypothesis. The financial factors, infrastructural factors, institutional coordination factors and access to business information service problems are all independent variables and MSEs business performance is the dependent variables. Profitability, sales growth, and Increase in market share are the measurement of MSEs business performance. The conceptual framework for the relationship between variables is shown in figure 1.

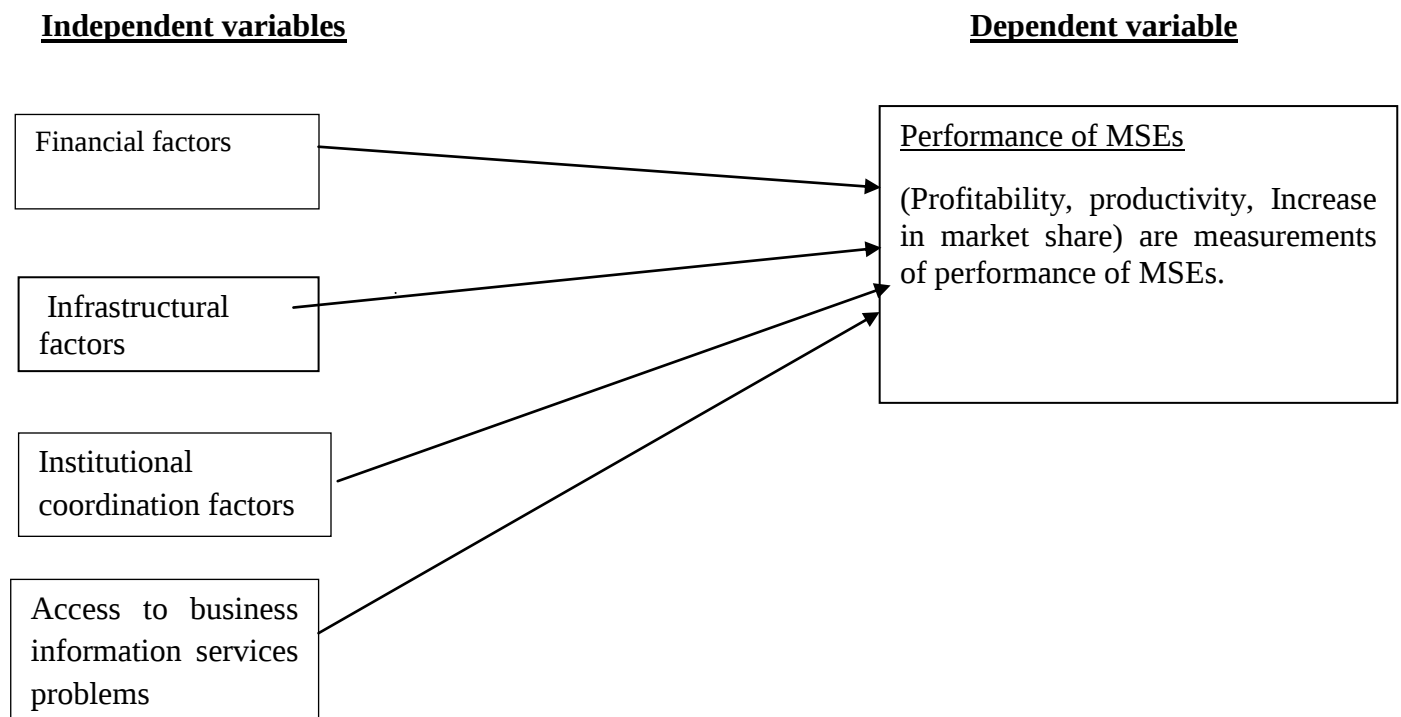


Figure 1:- The relationship between factors affecting MSEs performance

Source: - Adapted from International Journal of Science and Research publication, volume 4,

Issue 12, December 2014.

2.7. MSEs Performance

Performance was considered to be the dependent variable measured in terms of indicators such as; profitability, sales growth, market share, product reliability, customer loyalty achievement, daily revenues generated by the business; and production output. (Abdul Aziz & Abdul Razak et al., 2018) conclude that firm performance can be measured in both objective and subjective ways. Objective measures represent the unlimited financial gain in terms of sales and profitability whereas subjective measures also represent the owner's satisfaction with both financial concerns such as Profitability, sales growth, and market share, as well as non-financial factors like career advancement, customer happiness, employee contentment, customer feedback, workplace communication, owner satisfaction, and work-life balance, are all important. (Abdul Aziz & Abdul Razak, 2018) on the other hand, the independent variable is considered to be which are assessed through the various elements of factors affecting MSEs Performance like; financial factors, infrastructural factors, and institutional coordination problems. They have an overall influence on the performance of MSEs and the independent variables (IV) have a direct relationship with the DV which is the performance of Micro and Small Enterprises /MSEs/.

Therefore, this conceptual framework linked the problem of the factors that affect the performance of MSEs to investigate factors that affect the performance of MSEs based on the three objectives of the research. The independent variables were analyzed with indicators that studied to answer the research questions and those caused a change in the performance of MSEs as follows:

2.7.1. Financial Factors

This study conceptualized that when there is sufficient financial access, the performance of MSEs increases but when there is a lack of financial resources, their performance decreases. According to (Ayele, 2018), adequate financing has a major positive impact on small business survival and growth, and without it, small businesses would struggle to survive. One of the major challenges that hindering the performance MSEs in our country is access to finance and financial institutions credit processing has become more complex, and the institutions have become more cautious because of the financial crises, making it difficult for MSEs to understand the procedures and decisions when it becomes to be loan and also Banks do not provide MSEs with

adequate capital. As a result, the goal of this research is to provide an immediate answer and uncover smooth and long-term financing sources that will help MSEs pursue their growth potential.

2.7.2. Infrastructural factors

Infrastructure is one of the most important factors that affect economic development because it plays a crucial role for the economic development through the production processes and changes increases in the quality of accessible production infrastructure will have a significant impact on an organization's output, income, profits, and job creation in the economy. The gap in the availability of infrastructure in our country has greatly influenced the production processes in the manufacturing sector, especially the ability of MSEs to compete in the global market. Because of inadequate infrastructure, the performance of micro and small enterprises is affected. If there is the availability of adequate infrastructures, the enterprise will have market accesses, accesses to electricity, technology, portable water, road, and other infrastructures, and also it helps to increase their business performance. Therefore, this study will try to investigate and answer the infrastructural gaps (problems that affect the performance of MSEs).

2.7.3. Institutional coordination problems

According to (Van Der Lecq, 1996), If there is more linked coordination in all levels of administration, the common outcome, solidarity, will be arrived at the most relevant way, because coordination is a tool of bringing different components together. To solve complexities and unintentional losses, any operation in an enterprise requires the coordination of various types of functions within and between firms.

In several ways, coordination is linked to confidence and success. It also produces results because it establishes the requisite confidence for achieving results through networking. As a result of the internal and external challenges that come with running a company, teamwork becomes an important factor. Because of its focus on interdependence, collaboration, confidence, efficiency, and competition, coordination is a part of networking research. It is possible to improve MSEs' overall performance by establishing relationships with other internal and external relevant organizations, having well-designed plans, functional systems, strong knowledge supports and providing financial and other facilities.

The main goal of this study was to emphasize the internal and external importance of coordination, as well as to address the questions of how coordination can lead to improving organizational performance and how coordination can assist in improving organizational performance.

2.7.4 Access to business information services problems

If the MSE sector in developing nations is to attain sustainable levels of growth and development, governments and business service providers must pay attention to access to business information services. Due to a lack of effective business support services and insufficient information technical infrastructures, many African businesses operate in an information-poor environment (Tekele, 2019). Access to information, on the other hand, has not received the same level of attention as other barriers to MSEs' growth, such as access to capital, markets, technology, or training.

With the development of various information and communication technologies, access to corporate information services has dramatically improved over time. Because of well-established information and communication technologies (ICTs) infrastructure and easy access to computer hardware and software, MSEs in industrialized countries have easy access to business information services.

There are numerous issues in developing economies when it comes to ICT infrastructure and the cost of IT gear and software. This has resulted in a slew of issues in the field of MSEs' access to business information services. As governments and business service providers work to address the many difficulties facing the MSE sector, it's also critical to understand how people are now using ICTs to get business information services so that more development assistance may be provided (Kamunge et al., 2014).

CHAPTER THREE

THE RESEARCH METHODOLOGY AND DESIGN

3.1. Introduction

Under this chapter, the study tried to discuss the research methodology which includes the research design, research approach, research methods, data sources, sampling design and techniques, research instruments as well as data processing, and methods of data analysis.

3.2. Research design

Research design is the blueprint for fulfilling research objectives and answering the research questions. According to (Kothari, 2004) research design is the arrangement and structure used to regulate the study to attain the research objectives and answer the research questions. It ensured that the study was relevant to the problem and that it uses economical procedures.

The research design employed under this study was descriptive and explanatory. The reason for using descriptive research design was; to describe the state of affairs as it exists at present and explanatory research design was better to connect ideas to understand the cause and effect of the variables(Kothari, 2004).

3.3. Research Approach

To answer the proposed research questions, the study was employed a quantitative research design. It was tried to address the descriptive and explanatory research approaches.

According to (Kothari, 2004) a quantitative research approach was used to describe the numerical aspects and quantitative data was collected and analyzed in an integrated manner. The basic reason for choosing the quantitative research approach for this particular study lies in the fact that it was allowed to come through the respondent's objective. This was in turn contributes much to the inferences of the study results.

3.4. Research Methods

3.4.1 Methods of data collection and Instrument

To achieve the objectives of the study, the researcher used quantitative research methods through a questionnaire to cover larger target groups of MSEs. The adopted questionnaires were prepared using Close Ended or Structure questionnaires and 5 Point Likert-scale approaches. It was prepared in the English language and translated into Amharic to facilitate the response. A letter of verification was provided for the respondents to maintain the confidentiality of the information as an attachment to the questionnaire.

3.4.2. Data sources

To achieve the research objective, both primary and secondary data sources were used in the study.

3.4.2.1. Primary Sources

Primary data was collected through a structured closed-ended questionnaire from the representative of the total population of MSEs owners in Kirkos and Arada sub-cities. The survey questionnaire in this study contained a five-scale pointing rating from (1) strongly disagree to strongly agree (5). These continuous scales are the scales that are used to weigh the objects/measurement on the instrument.

3.4.2.2. Secondary Sources

Secondary data was collected from both published and unpublished materials includes SME reports, reviewed literature, research papers, circulars, and policy papers to provide additional information where appropriate.

3.5 Target population and Sample

3.5.1 Target population

Population refers to all elements (individuals, objects, and events) that meet the sample criterion for inclusion in a report. The target population for this study comprised MSEs owners of the Kirkos and Arada sub-city administration. As indicated by Kirkos and Arada sub-city administration MSEs Office, both administrations have a total population of 9795 MSEs owners or 5,533 and 4,262 MSEs owners respectively in the following four sectors which are Manufacturing, Service, Trade and Construction sectors. Because of the low number of business owners in the statistics of the sub-cities, I excluded the urban agricultural sector.

3.5.2. Sample Size

The optimal sample size in a study is determined by the characteristics of the population and the study's goal, according to (Dawson, 2013). Although there are no hard and fast standards, the sample size is usually determined by the population being sampled. There are several methods to determining sample size. Given the total population, the number is known; Yamane's (1967) formula is used to calculate a sample size that could accurately represent the total 9795 MSEs owners in the Kirkos and Arada sub-city administration in the following four sectors which are, Manufacturing, Service, Trade and Construction sectors. The formula in the figure was used to calculate the sample size. 95% confidence level and $p = .05$ were assumed to be appropriate for this equation.

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

The formula used to calculate the sample size of the study (Yamane, 1967)

Where n = the sample size, N = population size, and e = level of precision.

$$n = \frac{9795}{1 + (9795)(0.05)^2} = \frac{9795}{25.4875} = 384.3060 = \underline{\underline{384}}$$

The sample size for the study was **384** MSEs.

Table 3.1 Number of Samples from each Sector

No.	Selected sub-cities	Kirkos sub-city MSEs		Arada sub-city MSEs		Total (K and A)	
		Total population	Sample	Total population	Sample	Total population	Sample
1	Manufacturing	671	26	733	29	1,404	55
2	Service	3255	128	862	34	4,117	162
3	Trade	1034	41	1925	75	2,959	116
4	Construction	573	22	742	29	1,315	51
5	Total	5,533	217	4,262	167	9795	384

3.6 Sampling Techniques

To get information from different sizes of the MSEs, the researcher was applied stratified and simple random sampling techniques. This technique was preferred because it assisted in minimizing bias that may come because of the high cost and the long time it needs when dealing with the population. Before picking items for the sample, the sampling frame can be arranged into generally homogeneous groups (strata) using this procedure. According to (Dawson, 2013), this step increases the probability that the final sample would be represented in terms of the stratified groups. The strata's are sectors including manufacturing, service, trade, and construction sectors.

3.7 Data analysis method

The method the researcher used to analyze the data is quantitative analysis, such as percentage, tabulation representation, and description method. The collected data was organized, analyzed, interpreted, and discussed using a Statistical Package for Social Science (SPSS) version 26. All collected quantitative data was analyzed using descriptive statistics like frequency, percentage, mean and standard deviation. Whereas, statistics (Pearson correlation and multiple linear regression) Pearson correlation was applied to observe the relationship between independent and

dependent variables. Multiple linear regression is also applied to show the effect of independent variables on the dependent variables.

The study adopted the following functional specification and a linear regression model to determine the relationship between variables;

$$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \epsilon$$

Where; $Y(x)$ is MSEs performance.

β_0 is the constant term,

β_1 is the correlation coefficient of financial factors,

β_2 is the correlation coefficient of technological factors

β_3 is the correlation coefficient of infrastructural factors,

β_4 is the correlation coefficient of institutional coordination factors, and

ϵ is a marginal error.

This coefficient shows that the units in the independent variables make variation independent variables by units of coefficients.

3.8. Validity and Reliability tests

3.8.1 Validity

The degree to which a test measures what it claims to measure is known as validity (Creswell, 2003). Validity is defined as the accuracy and usefulness of inferences drawn from study findings. To make sure the research's validity, the researcher used reliable source such as published researches, books, and recent articles which were written on the factors affecting the business performance of MSEs. Based on the respondent's response addition, omission, and modification of questions were undertaken. To further refine the accuracy of the instrument, a questionnaire was administered and prepared with standardized questions from different sources and the research advisor also provided valuable comments on the prepared questionnaire.

3.8.2 Reliability

A measuring device is dependable, according to (Kothari, 2004), if it produces consistent results. A reliability test was also performed to check the internal consistency and accuracy of the measurement scale. For testing the reliability of the data instrument, Cronbach's alpha was used. It is a popular measure of internal consistency or reliability test score for a group of examinees. The measures between 0.8 and 0.95 are considered to have very well reliability. Scales with coefficient alpha between 0.7 and 0.8 are considered to have good reliability and coefficient alpha between 0.6 and 0.7 indicates fair reliability (Kothari, 2004).

3.9. Ethical Consideration

The objective of ethics is to ensure that no one is harmed or suffers adverse consequences from the research activities. All relevant data for this study was collected by issuing an official letter to the concerned organizations. The researcher explained and informed the respondents about the importance of the study and their willingness and consent commitment before distributing questionnaires. The respondents also had the right to refuse or terminate at any point in the data collecting process. Regarding the right to anonymity and confidentiality, the participants were not forced to write their names on the questionnaire and confirmed that their responses were not in any way linked to them.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.1 Introduction

This chapter focuses on the presentation, analysis, and interpretation of questionnaire data and contains the reliability analysis, respondents profile, correlation analysis, overall MSE s performance analysis, and multiple regression analysis. A total of 384 questionnaires were distributed and were collected from Kirkos and Arada sub-cities MSE owners. Only 365 of the total 384 questionnaires were properly filled out and collected. This represents 95.05% of the total number of people who responded. Since this is sufficient enough to make the analysis and all the discussions below are made on these groups of respondents. The collected data were analyzed by using the statistical package for social science (SPSS) version 26 to answer the research questions.

4.2 Demographic Characteristics of the respondents

The following table generalizes the demographic characteristics of respondents by gender, age, marital status, and educational status.

Table 4.1: Gender of respondents

Measurement		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	190	52.1	52.1	52.1
	Female	175	47.9	47.9	47.9
	Total	365	100.0	100.0	100.0

Source: own survey, 2021

As shown in the above table 190 (52.1%) respondents fall into the category of male. This is followed by 175 (47.9%) of the respondents are in the category of Female. It indicates that there is a relatively equal gender ratio of responders but, to some extent, the numbers of male MSE owners who work in the firm were greater than female owners.

Table 4.2: Age composition of respondents

Measurement		Frequency	Percent	Valid Percent
Valid	under 20 years	31	8.5	8.5
	21-30 years	140	38.4	38.4
	31-40 years	69	18.9	18.9
	41-50 years	107	29.3	29.3
	over 50 years	18	5.0	5.0
	Total	365	100.0	100.0

Source: own survey, 2021

As can be seen from the above table, the majority of the respondents are within the age category of 21-30 years (38.4%). The remaining percentages of the age of less than 20, 31-40, 41-50, and 51 and above years were about 8.5%, 18.9%, 29.3%, and 5.0% respectively. It indicates that the greatest number of respondents was young enough since the age of the respondents was important to get relevant data from them and they can challenge in operating their businesses and they can work effectively their business activities in the competitive market.

Table 4.3: Marital status of respondents

Measurement		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	50	13.7	13.7	13.7
	Married	205	56.2	56.2	69.9
	Divorced	14	3.8	3.8	73.7
	Widowed	96	26.3	26.3	100.0

Source: own survey, 2021

Regarding marital status, the above table shows that majority of the respondents are married 205 (56.2%) followed by widowed 96 (26.3%). the remaining 50 (13.7%), and 14 (3.8%) of the respondents are single and divorced respectively. From the finding, most of the respondents were married. Since they are responsible to fill in relevant data concerning the distributed questions.

Table 4.4. Educational status of respondents

Measurement		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Read and write	105	28.8	28.8	28.8
	Elementary complete	197	54.0	54.0	82.7
	High school complete	33	9.0	9.0	91.8
	Certificate	26	7.1	7.1	98.9
	Diploma	2	.5	.5	99.5
	Degree and above	2	.5	.5	.5
	Total	365	100.0	100.0	100.0

Source: own survey, 2021

As it can be viewed in the above table, the majority of the respondents are within the grade level of elementary complete 197 (54.0%) followed by those who can read and write 105 (28.8%), high school complete 33(9.0%), certificate 26 (7.1%), and 2 (0.5%) diploma and degree and above respectively. The above finding indicates that most of the respondents had attained a different level of education. Since they are literate, they can understand and fill the questionnaires.

Table 4.5: Work experience of respondents

			Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-5		15	4.1	4.1	4.1
	6-10		162	44.4	44.4	48.5
	11-20		187	51.2	51.2	99.7
	21 and above		1	.3	.3	.3
	Total		365	100.0	100.0	100.0

Source: own survey, 2021

As shown in the above table the work experience of the respondents, majority of the respondents 187(51.2%) have 11-20 years of experience in their business work. While, 162(44.4%), 15(4.1%), and 1(0.3%) of them were in the category of 6-10 years, 0-5 years, and 21 and above years respectively. This shows that majority of the respondents had operated in the market for a different period. Hence, they are more informed on the factors affecting MSE's performance and business operating activities. Therefore, they can give relevant data to the researcher.

4. Reliability Test

A measuring device is dependable, according to Kothari (2004), if it produces consistent results. A reliability test was also performed to check the internal consistency and accuracy of the measurement scale. For testing the reliability of the data instrument, Cronbach's alpha was used. (Hamid et al., 2011) suggested that the rule of thumb for good reliability estimated is 0.7 a high reliability estimated of between 0.6 and 0.7 may be acceptable if other indicators of the model construct validity are good. The study has used a questionnaire to investigate factors that affect the performance of MSEs. Then there assess the model fit reliability and validity of the questionnaire to get confidence in comparing the sample with the help of SPSS V-26 the most frequently used Cronbach's alpha. The reliability of the item is presented in the table below.

Table 4.6 Reliability analysis (Cronbach's alpha)

Variables of the study	Number of items	Cronbach's Alpha
Financial factors	9	0.722
Infrastructural factors	9	0.759
Institutional coronation factors	6	0.691
Access to business information service problem	5	0.726
Performance of MSEs	11	0.725

Source own survey: 2021

As indicated in the table, Cronbach's alpha values for financial factors, infrastructural factors institutional coordination, problems access to business information, and performance of MSE's is 0.722, 0.759, 0.691, 0.726, and 0.725 respectively. Hence, the reliability of the measurement used in this study can be considered as good and acceptable. Therefore, the Cronbach's alpha coefficient of each item is over 0.691.

(Haur, 2017) suggested that the rule of thumb for a good reliability estimate is 0.7 A high-reliability estimate of between 0.6 and 0.7 may be acceptable. If other indicators of the model construct validity are good. Hence, the above table shows that the Cronbach's alpha from 0.691

to 0.759 categories indicating that the survey instrument was generally accepted as good and acceptable.

4.3 Descriptive Statistics Analysis

4.3.1. Financial factors

Table 4.7: Descriptive Statistics Analyzing Financial factors of MSE's

Item Statistics	Mean	Std. Deviation	N
1. The interest rate charged by banks or other lending institutions is reasonable.	1.80	.635	365
2. There is a high collateral requirement from banks and other lending institutions.	1.91	.596	365
3. There are complicated loan application procedures of micro finances and other lending institutions.	1.81	.635	365
4. Most microfinance and other lending institutions are reluctant to provide long-term credit to MSE's.	1.84	.648	365
5. There are governmental funds to support MSE's	1.78	.610	365
6. I have my own enough source of finance to run my business.	1.80	.657	365
7. I am satisfied with the financial access given by microfinance and other lending institutions.	1.79	.693	365
8. There are non-governmental organizations (NGOs) funds to support my business.	1.73	.655	365
9. Access to finance is a major challenge that affects the growth of my business.	2.30	1.128	365
Grand Mean = 1.86		.532	365

Source: From researcher Owen survey data, 2021.

From the above Table, indicating descriptive statistics analyzing financial factors of MSE's, which is the interest rate charged by banks or other lending institutions is reasonably indicated in which is indicating in a mean difference of 1.80 described in the standard deviation of 0.635. It indicates that the interest rate charged by banks or other lending institutions is not reasonable or poor. Concerning collateral requirements from banks and other lending institutions, the finding indicated that the mean score was 1.91 and the standard deviation depicted 0.596. This implies that the collateral requirement asking from banks and other lending institutions was not good. As indicated from the above table, the mean score of loan application procedures of micro finances

and other lending institutions is 1.81, while the Standard Deviation is 0.635. This result indicates that the loan application procedures were low.

On the other hand, the mean score of most microfinance and other lending institutions that are voluntary to provide long-term credit to MSE's is 1.84, while the Standard Deviation is 0.648. This indicating that they are not volunteering to give long-term credit to MSEs or low. The mean score of governmental funds to support MSE's business is 1.78 and depicted in Standard Deviation of 0.610. This result indicates that government funding support was low to MSEs. The mean score of the source of finance to run their business is indicating 1.80 and in Standard Deviation shown 0.657. This result shows that most of the MSEs owners don't have enough sources of finance.

It was asked if they were satisfied with the financial access given by microfinance and other lending institutions which is indicating in a mean difference of 1.79 while the standard deviation is 0.693. This implies that the access to finance given by microfinance and other institutions was not satisfactory. The mean score of non-governmental organizations (NGOs) funds to support my business is 1.73 while the standard deviation was 0.655. This indicates the non-governmental organization support was low. The mean score of difference of access to finance is a major challenge that affects the growth of MSEs business performance is indicating a mean difference of 2.30 and standard deviation of 1.128. It means that MSEs were highly faced by financial factors.

Finally, the total mean scores of financial factors were 1.86 while the standard deviation was 0.532. It implies that MSEs owners were faced financial constraints both at start-up phases and after their establishment indicated in an average mean difference of related problems found full of disagreements among members of operators. The research was done by (Abera, 2012) which factors affecting the performance of Micro and Small Enterprises in Arada and Lideta Sub-Cities, Addis Ababa, has similar conclusions on financial factors of business performance of MSEs. In Africa, for example, the failure rate of MSEs is 85% out of 100 enterprises due to a lack of access to capital (Lakew & Azadi, 2020).

4.3.2. Infrastructural factors

Table 4.8: Descriptive Statistics Analyzing Infrastructural factors

Item Statistics	Mean	Std. Deviation	N
1) There is adequate road access in my business area.	1.81	.642	365
2) There is sufficient and quick access to transport in my business area.	1.91	.609	365
3) I have got technology support from the micro and small institute.	1.81	.644	365
4) I have enough money to access new technology.	1.84	.680	365
5) There is sufficient water supply in my business area.	1.78	.645	365
6) There is sufficient electricity supply in my business area.	1.80	.668	365
7) The cost of electricity is affordable to my business.	1.77	.713	365
8) I have enough and appropriate working materials such as machinery and other equipment for my business.	1.72	.648	365
9) I have got raw material supports from MSE's Institute.	2.27	1.124	365
Grand Mean = 1.82		.530	365

Source: From researcher Owen survey data, 2021.

As indicated in the above table, descriptive statistics analyzing MSE's owners of respondents in the study area indicated that the mean score and standard deviation concerning nine items these are the road access, access to transport, technological support from MSEs institution, sources of money to access new technology, sufficient water supply, access to electricity, affordability of electricity cost, having enough and appropriate working materials, and raw material supports from MSE institute were, grand mean score of 1.82 and standard deviation of 0.530 respectively.

This result indicates that infrastructure factors are the main factors that affected their business performance. In general, the finding of the study shows that there is a higher problem of physical infrastructure facilities that are not adequately established and expanded in the study area to meet the growing demand for MSEs activities.

Conferring to a similar survey (Mezgebe, 2012), most MSEs face issues with their business premises, such as rising housing rents and a lack of basic amenities like telephone lines, power, sewerage, and water. According to the Commission on Legal Empowerment of the (Mulugeta, 2014), though not directly linked, the inadequacy of infrastructure (road, banking service,

electricity, telecommunication, and other services in facilitating the smooth operation of private investment are serious impediments.

4.3.3. Institutional coordination Problems

Table 4.9: Descriptive Statistics Analyzing Institutional coordination factor

Item Statistics	Mean	Std. Deviation	N
1. There is a strong relationship with organizations such as financial sectors, banks, microfinance, and others to facilitate the market access of MSEs.	1.84	.595	365
2. There is effective communication within organizations to support MSEs' business.	1.84	.638	365
3. There is a clear division of duties and responsibilities within organizations to support MSEs' business.	1.79	.649	365
4. There are not questions of bureaucracy within the company during the registration and licensing of MSEs.	1.92	.741	365
5. There is an institutional follow-up while in MSEs in a working place.	1.87	.709	365
6. There is good governance within organizations that have a direct relationship with MSEs.	1.75	.662	
Grand Mean = 1.835		.598	365

Source: From researcher Owen survey data, 2021.

According to the above-stated table, institutional coordination problems that measure about six items were provided as follows. Concerning the result of the respondents, whether there is a strong relationship or not within the organizations such as financial sectors, banks, and microfinance offices to facilitate the market access of MSEs, the mean score is 1.84 and standard deviation of 0.595. This indicates that there is no strong relationship with the organizations such as financial sectors, banks, and microfinance offices to facilitate the MSE owners' business performances.

From the above table item two, the mean score of effective communication within an organization to support MSE business is 1.84 and a standard deviation of .638. This shows that the communication between the organizations is low.

Concerning to clear division of duties and responsibilities within the organization to support the MSE business performance, the mean score and standard deviation results were 1.79 and .649

respectively. This indicates that there is no clear division of duties and responsibilities between the organizations.

On the other hand, whether concerning to bureaucracy of the company during registrations and licensing, and institutional follow up while in MSEs in a working place and governance system within organizations that have a direct relationship with MSEs the mean score and standard deviation was 1.92, 1.87, 1.75 and .741, .709, and .662 respectively. Therefore, the above result implies that there are bureaucratic issues and the follow-up and good governance system of the organization was low.

To sum up the above table result, the grand mean score and standard deviation of institutional coordination factors result responded by the respondents was 1.835 and .598 respectively. This implies that institutional coordination within the organization that has a direct relationship was low.

The study was done by (Mulugeta, 2014), identifying the range of institutions as well as government and non-government actors is also critical in supporting MSE's in Addis Ababa. It is important to take stock of major national and sector development policies that are relevant for the implementation of the MSE's performance and to identify challenges to better articulate their actions on the ground to solve analyzing institutional coordination factors.

4.3.4. Business information service Problems

Table 4.10: Descriptive Statistics Analyzing Access to business information service problems

Item Statistics	Mean	Std. Deviation	N
1. There is access to business information that helps to facilitate my business.	1.98	.804	365
2. Business information is readily available in this market.	1.79	.849	365
3. There is available and relevant information in my business area.	1.88	.864	365
4. The information available informs us of the changes in the business environment.	2.34	1.195	365
5. The information necessary for the business is availed on time.	1.72	.861	365
Grand Mean = 1.942		.891	365

Source: From researcher Owen survey data, 2021.

The above table indicates that the mean score of access to business information that helps to facilitate their business was 1.98 and the standard deviation was 0.805. This shows that the mean and standard deviation of access to business information that helps to facilitate their business was low. Regarding the information that was readily available to the enterprises on time issues, the mean score and standard deviation were 1.79 and 0.729 respectively. This indicates that the business information was not available on time in their market.

On the other hand, whether the information available was relevant for their business or not issues, the mean score result was 1.88 and the standard deviation was 0.866. The result implies that the mean level was low and the majority of the respondents disagreed.

Concerning the information available informs them about the market change in the business environment, the mean score was 2.34 and the standard deviation was 1.193. The result indicates that the mean score and standard deviation were low and they were dissatisfied with the information availability that informs them on the market change in their environment. Regarding the information necessary for the business is availed on time which is indicating in the mean score of 1.72 and standard deviation of 0.864. The result shows that the value of on-time information was not and the mean score value was low.

Lastly, the grand mean of access to business information service problem was 1.942 and the standard deviation was 0.891. The result of the grand mean score was low and the MSEs owners did not get available and relevant information that helps to facilitate their business performance.

Many firms in Africa operate in an information-poor environment due to a lack of adequate business support services and poor information technological infrastructures (Kinyua, 2014).

According to (Ngetich & Kithae, 2020), many reasons have led to the increases in the failure rate of start-up businesses, including lack of sufficient working capital, poor market selection and quickly changing market conditions.

4.3.5. Performance of MSEs

Table 4.11: Descriptive Statistics Analyzing Performance (Profitability, productivity and market share) of MSEs

Item Statistics	Mean	Std. Deviation	N
1. My business profit is in a good position.	1.88	.666	365
2. My business profit is increased from time to time.	1.71	.657	365
3. My business has the potential to grow/expand.	1.80	.719	365
4. I have sustainable profit since I started my business.	1.71	.679	365
5. I am satisfied with the growth in sales of my products and/or services.	1.81	.725	365
6. The level of my business productivity is increased from time to time.	1.79	.721	365
7. I am satisfied with the growth of my business productivity.	1.76	.692	365
8. My business can provide verities of product/ service to care for the need of all types of customers.	1.79	.685	365
9. Our company is more effective in opening up a new market or expanding existing markets than our competitors.	1.67	.618	365
10. Our business market share is highly increased within the last three years.	1.704	.663	365
11. Our company can change the market or lead customers' needs in new directions.	1.87	.597	365
Grand Mean = 1.774		.675	365

Source: From researcher Owen survey data, 2021.

From the study result Table descriptive statistics analyzing the performance of MSE's Kirkos and Arada sub-cities which their Profitability, productivity, and market share found lower indicated in a mean difference of 1.774 depicted in standard deviations of 0.675. The result shows that the mean score was low and their business profitability, productivity, and market share were poor. This was mainly due to many reasons such as financial factors, infrastructural factors, institutional coordination problems, and access to business information service problems that hamper performance and growth of MSEs and are affected by multiple factors that inhibited the sector. Due to these reasons, the performance of MSE in Sub-Saharan Africa (SSA) is far

below that of the other developing countries in comparison. The study by (AmareHabtemeskel., 2019) confirmed that the failure rate of MSEs in SSA was high.

4.4. Inferential Analysis

4.4.1. Correlation analysis

Correlation analysis determines to explore the strength as well as the direction of the relationship between the study variables specifically, financial factors, infrastructural factors, institutional coordination factors, access to business information service problems (independent variables), and performance of Micro and Small Enterprises (MSEs) which is the dependent variable.

The researcher was used Pearson's production movement correlation coefficient- Pearson's r. According to (Chee & Queen, 2016) Pearson's r is a measure of the linear relationship between two interval or ratio variables and can have a value between -1 and 1. The benefit of using Pearson's r is, it is a simple way to assess the association between two variables. Whether they share valiance, if the relationship is positive or negative, and the degree to which they correlate. In this study, Pearson's product-moment correlation coefficient- Person's r was used to determine the independent and dependent variables.

Table 4.12: correlation between dependent and independent variables /N=365/

No.	Variables	1	2	3	4	5
1.	Performance of Micro and Small Enterprises (PMSEs)	1				
2.	Financial Factors (FF)	.775**	1			
3.	Infrastructural Factors (IF)	.721**	.678**	1		
4.	Institutional Coordination Factors (ICF)	.590**	.489**	.569**	1	
5.	Access to Business Information Service Problems (ABISP)	.655**	.720**	.386**	.528**	1

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

*. Correlation is significant at the 0.05 level (2-tailed).

Source: own survey 2021

The above table shows the correlation between independent variables and dependent variables. The correlate matrix indicated that there is a positive relationship between financial factors, infrastructure factors, institutional factors, access to business information service problems, and performance of MSEs which is $\beta = 0.775^{**}$, 0.721^{**} , 0.590^{**} , and 0.655^{**} and ($P = 0.00$) respectively.

The result from the above table shown that the correlation analyses among all constructs for the performance of MSE's. The result tells that there are significant positive correlations between financial factors of MSE's and Performance of MSE's ($r=0.775$, $p<0.01$), the result tells that there are significant positive correlations between infrastructural factors and performance of MSE's ($r=0.721$, $p<0.01$).

On other hand, there is a positive correlation between institutional coordination and the performance of MSE's ($r=0.590$, $p<0.01$). The correlation coefficient demonstrates that there is a positive relationship between problems with access to business information service and performance of MSE's score 0.655 which shows medium strength of MSEs in performance of MSE's. This means that the more problems were access to business information service in the MSE's were lead to better way associated with the performance of MSE's in Addis Ababa City Administration.

According to Hutcheson (2011) and Daniel (2014), if r is close to 1, the two variables have a strong association. This indicates whether changes in one variable are strongly correlated with changes in the other variable or whether the problem of Multicollinearity exists.

As we have seen from the above table, the highest financial factors of MSE's found correlated with the performance of MSE's in the study area numerically by ($r=0.775$, $p<0.01$). This number is very close to 1, or there is a strong relationship between an independent variable and dependent variables. Therefore, we can conclude that there is a strong relationship between financial factors and the performance of MSE's.

On the other hand, When r is near to 0, on the other hand, there is no or a weak association between the independent and dependent variables. This indicates that changes in one variable are unrelated to changes in the other. If r were 0.01, it could conclude that the variables were not

strongly correlated which MSEs' determinate performances factor in the study area does have respondent accepts to be related to it is distributed equally.

4.5. Diagnostics tests / Assumption/

According to (Field, 2013), to run linear regression, checking critical assumptions is essential and it is helpful to conclude the population under study. In this regard, the following preliminary analysis (Regression diagnostics) was conducted to verify the assumptions & CLRM like linearity, normality, Multicollinearity, and homoscedasticity test or assumptions.

4.5.1. Assumption1: Linearity test

According to (Hayes et al., 2012) the relationship between the independent and dependent variable needs to be a linear function to conduct linear regression analysis. As a result, the linearity of the relationship between independent and dependent variables was tested using SPSS V26 software and scatter plots showing the relationship between the two variables (IV and DV). The scatter plot of residuals indicates that the points lied in a reasonably straight line from bottom left to top right. Therefore, it shows linearity. An underlining assumption of regression analysis is that the relationship between the variables is linear which means the points in the straight-line plot must form a pattern that can be approximated with a straight line.

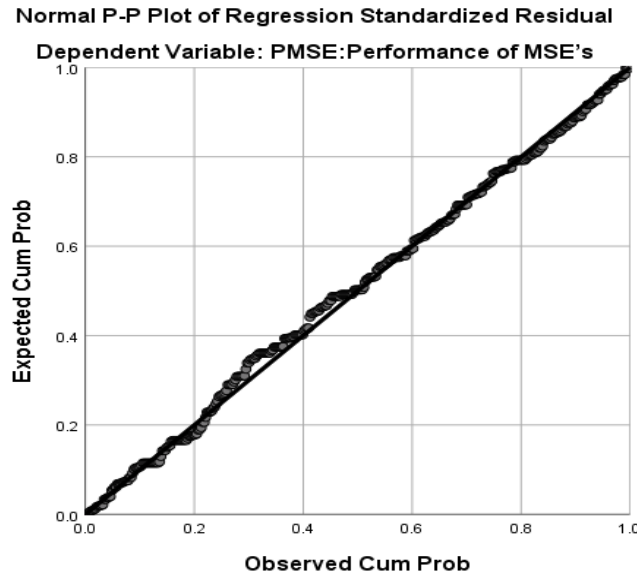


Figure 2: Test of linearity

Source: own survey, 2021

4.5.2. Normality Test

As (Ghasemi & Zahediasl, 2012), noted that the assumption of normality is important in research while using regression and helpful to generalize the results of the analysis beyond the sample collected. Normality test refers to the linear regression analysis requires all variable.

Normality tests can be seen in the data distributed when the curve does not pass through either the left or the right (Ghasemi & Zahediasl, 2012) It shows that the data output was normally distributed. To test the normality of the data, kurtosis and skewness value was checked using SPSS 26. Skewness measures the degree to which cases are clustered towards one end of an asymmetry distribution. In general, the further the value of skewness is from zero, the more likely it is that the data are not normally distributed (Field, 2016). Kurtosis measure the level of peak in a histogram. The high peak has positive kurtosis, while the flatter distribution has negative kurtosis. A histogram is simply a graph that plots a frequency distribution of data for a variable. The variable's values are represented on the X-axis, while the frequency (the number of data points with that value) is represented on the Y-axis. Histograms are an excellent tool to see if your data is regularly distributed. A normal distribution is a distribution of data that clusters around the mean.

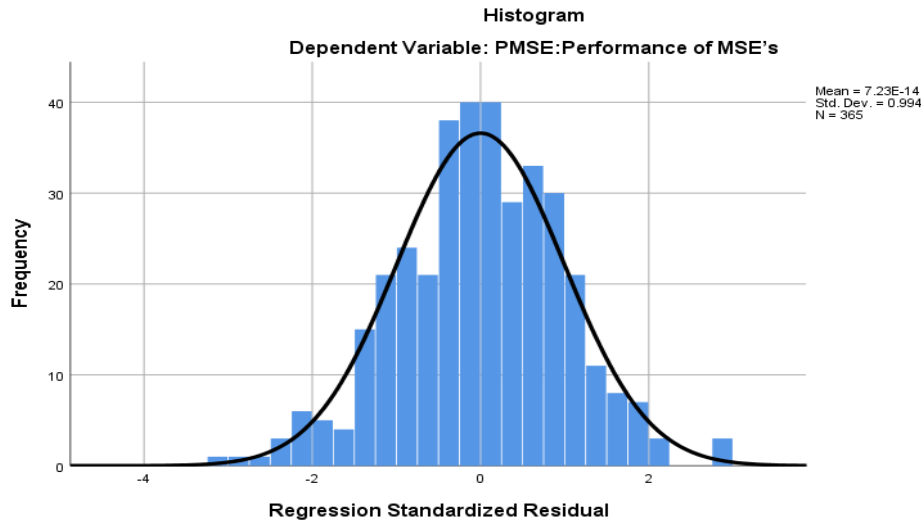


Figure 3: Normality Tests of Residuals

Source: own survey, 2021

4.5.3. Assumption 3: Multicollinearity Test

According to (McClelland et al., 2017), most regression programs can compute variance inflations factor (VIF) for each variable, and as a rule of thumb; VIF above 5.0 shows problems with the Multicollinearity test.

Erik Mool (2014), also underline that values for “Tolerance” below 0.1 indicate serious problems, although several statisticians suggest that value for “Tolerance” below 0.2 are worthy of concern. Multi co-linearity of the regression analysis refers to how strongly interrelated the independent variables in a model are. As we can see from the following table, the tolerance values are 0.287, 0.411, 0.552, and 0.389 for each independent variables (FF, IF, ICF, and ABISP) which are above 0.10 and the variance inflations factors (VIF) values are also 3.479, 2.430, 1.812, and 2.569 respectively. Therefore, in this study, the table below shows that the Variance Inflation Factors (VIF) and tolerance fall within the acceptance range (VIF = 1 - 10, tolerance = 0.1 – 1.0).

Table 4.13 Test of Multicollinearity

Model Constant	Collinearity Statistics	
	Tolerance	VIF
FF	0.287	3.479
IC	0.411	2.430
ICF	0.552	1.812
ABISP	0.389	2.569

a. Dependent variable: performance of MSEs.

Source: own survey, 2021

4.5.4. Homoscedasticity Test

Homoscedasticity is the extent to which the data values for the dependent and independent variables have equal variances (Olvera & Zumbo, 2019). At each level of the predictor variables, the variance of the residual terms should be constant. It means that the residuals at each level of the predictors should have the same variance, therefore, checking for this assumption is helpful for the fitness of the regression model. In this regard, to plot the homoscedasticity test, as supported by Erik (2014), the researcher plot the standardized residuals, or error (ZRESID) on the Y-axis and the standardized predicted value of the dependent variable based on the model (ZPRED) on the X-axis and the result is presented as follows.

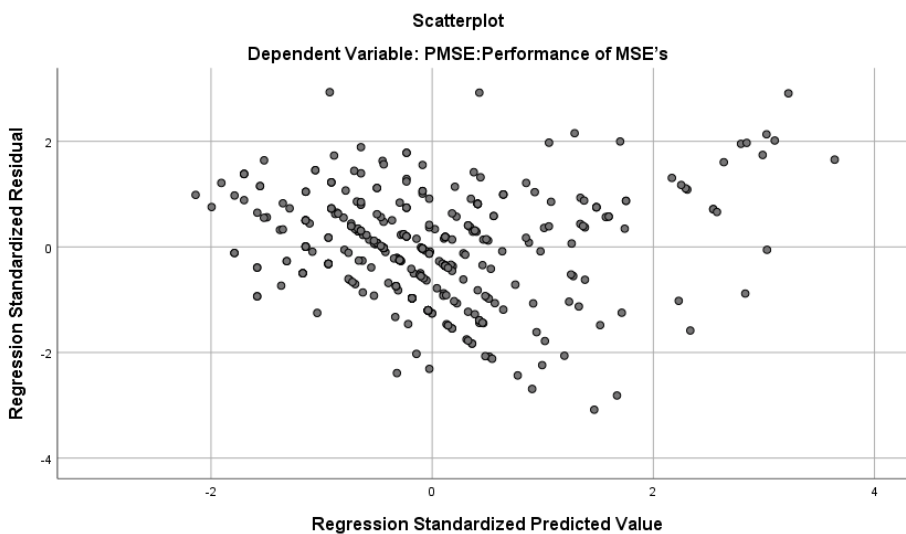


Figure 4: Homoscedasticity Test

Source: own survey, 2021

Thus, the scatter plot shows that the majority of the point are concentrated around zero (0) which shows that no violation of homoscedasticity.

4.5.5: Assumption Autocorrelation Test

Autocorrelation is an assumption that the errors are linearly independent of one another (uncorrelated with one another). The value of Durbin-Watson statistics ranges from 0 to 4. The residuals are considered independent (not correlated) if the Durbin-Watson statistic is around 2, with a range of 1.50-2.50 acceptable (Babatunde, 2014). The errors are said to be auto-correlated if they are correlated with one another. The popular Durbin- Watson test was used to determine whether or not autocorrelation existed. The rejection / non-rejection rule would be given by selecting the appropriate region from the following figure:

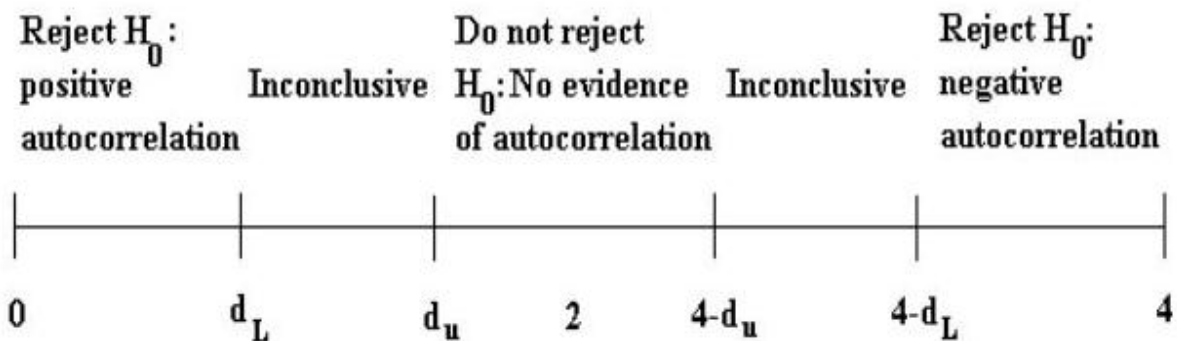


Figure 5. Durbin-Watson test

The regression output of this test indicates

Table 4.14 Durbin-Waston test of autocorrelation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.874 ^a	.717	.714	1.83427	1.525

a. Predictors: (Constant), ABISP, IF, ICF, FF

b. Dependent Variable: PMSE

Source: own survey, 2021

4.6. Multiple Regression Analysis

Model 2: total regressions analysis of demographic and independent variables on PMSEs.

Table 4.15 Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	Durbin Watson
1	.847a	.717	.714	1.83427	.717	227.869	4	360	.000	1.525

a. Predictors: (Constant), FF: IF, ICF, and ABISP

b. Dependent Variable: PMSE

Source: Owen survey data, 2021.

In this study, a multiple regression analysis was conducted to test the relationship among independent variables and dependent variable. The analysis was done to establish how the specific Performance of MSE's in the study area. A regression analysis results are presented in the Model Summary table.

The result as shown in the model summary indicates financial factors, infrastructural factors, institutional coordination, and access to business information service problems, of MSE's explained (71.7 %) of change determining the Performance of MSE's in the study area.

Coefficient of determination - R^2 is the measure of the proportion of the variance of a dependent variable about its mean that is explained by the independent or predictor variables (Hair et al., 2014). A higher value of R^2 represents the greater explanatory power of the regression equation. The above table shows the R^2 value of 0.717. This result shows that independent variables (financial factors, infrastructural factors, institutional coordination, and access to business information service problems) accounted for 71.7% of the variance in the performance of MSEs. This means 71.7% of the variation in performance of MSEs was explained by the demographic factors and independent variables. Whereas, the remaining 28.3% of the variation is explained by other factors which are not included in this study.

Table 4.14: ANOVA result

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3066.720	4	766.680	227.869	.000 ^b
	Residual	1211.243	360	3.365		
	Total	4277.963	364			

a. Dependent Variable: PMSE: Performance of MSE's

b. Predictors: (Constant), FF, IF, ICF, and ABISP.

Source: Owen survey data, 2021

The Above table, regarding the coefficient of determination, explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (performance of MSE's) that is explained by all the four independent variables. The F-ratio found in the ANOVA table measures the probability of chance departure from a straight line.

The significance value is 0.00 which is less than 0.05 thus the model is statistically significant in predicting how; - Problems Financial factors, Infrastructural factors, Institutional coordination, and access to business information service of MSE's show a significant change in the Performance of MSE's in the study area. The F critical at 5% level of significance was 0.00. Since F calculated is greater than the F critical (value = 227.869), this shows that the overall model was significant.

Table 4.15 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.372	.553		6.100	.000
	Financial factors of MSE's	.323	.055	.309	5.916	.000
	Infrastructural factors	.349	.043	.356	8.153	.000
	Institutional coordination	.243	.082	.112	2.954	.003
	Problems Access to business information service	.282	.054	.236	5.243	.000

a. Dependent Variable: Performance of MSE's

Source: Owen survey data, 2021.

The coefficients table sought to identify which predictors are significant contributors to the 71.7% of explained variance in Y (i.e., $R^2=0.717$) and which have the significant ones help strongly to explain Y-intercept established regression equation was:

$$Y=3.372\beta_0 + 0.323\beta_1 + 0.349\beta_2 + 0.243\beta_3 + 0.282\beta_4 + \dots + \Sigma$$

The regression equation above has established that holding all influence indicator variable (factors financial factors, Infrastructural factors, Institutional coordination, and Access to business information service of MSE's) but, constant show to 1 performance of MSE's determined by negative 71.7% shows the coefficient probability of indications starts from the scratch. The unstandardized coefficients of the determination under the B column in the above table were used to substitute the unknown beta values of the regression model. The beta values indicated the direction of the relationship. A positive or negative sign indicates the nature of the relationship. The significant values (p-value) under the significance column indicate the statistical significance of the relationship of the probability of the model giving a wrong prediction. A p-value of less than 0.05 is recommended as it signifies a high degree of confidence. In other word, these variables can explain the change in performances of MSE's which is independent variables are found to be very significant and supportive to the hypotheses of regression analysis financial factors, Infrastructural factors, Institutional coordination, and access to business information service problems of MSE's are statistically significant and it does support the hypotheses.

4.7. Hypothesis tests

Correlation analysis is the most important method for identifying the relationship between independent and dependent variables in a research study, but it does not assess the effect of the two variables. In regression analysis most common to evaluate the cause of independent variables (FF, IF, ICF, AND ABISP) on the dependent variable which is the performance of MSEs. Each hypothesis was tested based on unstandardized coefficient beta and P-value (the hypothesis rejected or accepted). According to (Asuero et al., 2006) correlation coefficient ranges from 0.00 to 0.29 weak, 0.30 to 0.49 low, 0.50 to 0.69 moderate, and above 0.70 is highly correlated.

H1: Access to finances has positive influences on the performance of Micro and Small Enterprises (MSEs) in the study area.

There is a positive relationship between financial factors and the performance of SMEs. As shown from the unstandardized coefficient beta and P-value result, the financial factor is .323 and significant level at a level of 0.01($P= 0.01$). The analysis shows that P-value is 0.000 which is less than 0.05. Since the hypothesis test is accepted and there is a positive relationship between financial factors and the performance of SMEs.

H2: Access to infrastructure has positive influences on the performance of Micro and Small Enterprises (MSEs) in the study area.

As indicated in the unstandardized coefficient beta and P-value table result, the infrastructural factor is .349 and a significant level of 0.01. The P-value is 0.000, which is less than 0.01 according to the analysis. As a result, the hypothesis is accepted, and the independent and dependent variables have a positive relationship.

H3: An institutional coordination has positive influences on the performance of Micro and Small Enterprises (MSEs) in the study area.

As shown in the unstandardized coefficient beta and P-value table, the result of institutional coordination factors (ICF) was .243 and a significant level of 0.003. It indicates that there is a positive relationship between ICF and the performance of MSE. Since the hypothesis is accepted.

H4: An access to business information service problems has significantly affect the performance of Micro and Small Enterprises (MSEs) in the study area.

Lastly, variable access to business information service problems (ABISP) unstandardized coefficient beta and P-value result is .282 and significant level of P-value 0.000. which is less than 0.05. Therefore, the hypothesis is accepted and also there is a positive relationship between independent and dependent variables.

Table 4.16 Summary of hypothesis tests

Hypothesis	Unstandardize d Coefficients	P- value	Decision
H1: Access to finances has positive influences on the performance of Micro and Small Enterprises (MSEs) in the study area.	.323	.000	Accepted
H2: Access to infrastructure has positive influences on the performance of Micro and Small Enterprises (MSEs) in the study area.	.349	.000	Accepted
H3: An institutional coordination has positive influences on the performance of Micro and Small Enterprises (MSEs) in the study area.	.243	.003	Accepted
H4: Access to business information service has positive influences on the performance of Micro and Small Enterprises (MSEs) in the study area.	.282	.000	Accepted

Source: Owen survey, 2021.

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

5.1 Summary of findings

Concerning the financial factors, this study confirms that the availability of access to finance to MSEs owners has a vital role for their business as it helps the enterprises to change their business performance. These findings are supported by (Ayele, 2018), adequate financing access of a major positive impact on MSE, and if there is not enough access to finance, micro and small enterprises would struggle to survive. Similarly, Admasu Abera (2012) argument also supported the finding of this study, that access to finance plays a vital role in employment creation, and general contribution to economic growth.

On the other hand, concerning infrastructural factors, this study indicates that the availability of infrastructure to micro and small enterprises (MSEs) owners was relevant to their business performance. Having enough access to infrastructure helps them to change their profitability, productivity and to be competitive in the market.

The finding of this study is supported by Burger et al., (1998). According to his finding, infrastructure plays an important role in the performance of micro and small enterprise (MSEs) businesses.

The finding of this research concerning institutional coordination indicates that it has a positive effect on MSEs performance which is aligned with the research of van Der Lecq (1996), that says if there is more linked coordination in all level of administrations, the common outcome has arrived at the most relevant way because coordination is a tool for bringing different components together.

The research also confirmed that access to business information has a positive effect on MSEs performance. The finding is supported by Takele (2019), and Kamunge et.al (2014) that who confirmed lack of effective business information influences MSEs' performance, understanding, and using of ICT by MSE owners to get business information service is a critical factor.

5.2 Conclusions

According to the finding of this study, it is concluded that access to finance affects the performance of MSEs. Financial factors affect the performance of MSEs to a great extent by limiting the entrepreneurs' ability to take advantage of opportunities as the source ranges from own source of finance, bank lands, donations from NGOs and other sources, the performance of the entrepreneur's in the market were found not to have enough budget to operate their business.

The other finding of this study confirms that infrastructures such as access to road, transportations, technology, water, electricity, and other infrastructures /equipment/affect the performance of MSEs. These factors also have a critical and integrated effect on the entrepreneur's business performance and hinder them from the business competition in the market.

Concerning institutional coordination, the business performance of MSEs is also challenged by the different stakeholders each stakeholder in one or another way has an integrated and cooperative approach to the entrepreneurs to make them profitable and productive. Effective communication between financial sectors, microfinance offices, and other institutions good governance ease of bureaucracy, and clear division of duties and responsibilities have a positive and supportive effect on the performance of MSEs in the area of their business.

The entrepreneurs' business performance is also affected by the access to the business information service. Accessibility to business information services must include its relevancy, readiness, timely, and quality. Since, if there is a gap in these information access parameters, there is an effect on the performance of the MSEs that information service to business is necessary for the market to have a positive performance or growth.

5.3 Recommendations

Based on the major findings of the study, the following recommendations are forwarded with the view to improve the contributions of MSEs to the country in general and the study area in particular.

Concerning financial factors, the research recommends that Addis Ababa City Administration MSE's office should facilitate and support the MSEs owners (entrepreneurs) by giving attention to financial funds, adequate loan facility, and training about financial issues. Therefore, Addis Ababa City Administration MSE's office in cooperation with other government bodies should develop sufficient sources of finance for MSEs by organizing and supporting the performance of micro and small enterprises finance and other sources.

This study also recommends that access to infrastructure to business information and effective institutional coordination within the organization must be necessary to all the entrepreneurs who are working in the city in their market. Therefore, the government bodies of Addis Ababa City Administration should be work hard and support the MSEs operators to ensure their business performance.

Generally, investigating different factors based on the right information is vital for the performance of MSEs owners. Therefore, the researcher recommends that Addis Ababa City Administration MSEs office stakeholders should give attention to the MSE business entrepreneurs, and especially the government should work hard in the areas of accurate access of business information to micro and small enterprise business sectors.

5.4. Future direction

This study was limited to only four variables which are financial factors, infrastructural factors, institutional coordination problems, and access to business information service problems are taken as independent variables to investigate the performance of MSEs in Addis Ababa City Administration. However, the result of the study cannot be generalized to other MSEs' performance out of Addis Ababa City Administration and other areas. Therefore, further research will be done on a greater scale with large MSEs sizes to determine the factor that affects the performance of MSEs in the remaining towns and also in another area.

Finally, in this study, it was observed that the transformation /graduation/ period of MSEs was 5 years. But this period was not effectively implemented. Therefore, further research will be done by taking the duration of the period as an independent variable.

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Appendix

Addis Ababa University

College of Business and economics

Department of MBA

I. Introduction

I am a graduate student in the department of MBA in management at Addis Ababa University. Currently, I am undertaking research entitled **factors affecting the performance of Micro and Small Enterprises in Kirkos and Arada sub-cities of Addis Ababa City Administration**. The main purpose of this questionnaire is to gather information about the performance of micro and small enterprises and also the outcome of this study will be used for academic purposes only. Therefore your genuine response to the questions is vital for the quality and successful completion of the study. The accuracy of the information you provide highly determines the reliability of the study.

Thank you in advance for your unreserved cooperation!!!

Part I: Demographic profile of respondents. Please tick (✓) in the appropriate box.

1. Gender

Male ☐ Female ☐

2. **Age** under 20 years ☐ 21-30 years ☐ 31-40 years ☐
41-50 years ☐ over 50 years ☐

3. Marital status

Single Married ☐ Divorced ☐ Widowed ☐

4. Educational Status

Read and write ☐ Elementary complete ☐ High school complete ☐
Certificate ☐ Diploma ☐ Degree and above ☐

5. Work experience

0-5 ☐ 6-10 ☐ 11-20 ☐ 21 and above ☐

Part II

The following are some states with regards to the factors of performance to business information, financial factors, institutional coordination problems, infrastructural factors, attitudinal challenges, and awareness/capacity building/ on the performance of micro and small enterprises on scale 1 up to 5 where;

1= strongly disagree (SD)	3= Neutral (N)	5= Strongly Agree (SA)
2= disagree (D)	4. Agree (A)	

Please tick (✓) in the appropriate number to indicate your level of agreement with the questions asked below.

I .Financial factors

No	Items	Agreement scale				
		1(SD)	2 (D)	3 (N)	4 (A)	5 (SA)
1	The interest rate charged by banks or other lending institutions is reasonable.					
2	There is a high collateral requirement from banks and other lending institutions.					
3	There are complicated loan application procedures of micro finances and other lending institutions					
4	Most microfinance and other lending institutions are reluctant to provide long-term credit to MSEs.					
5	There are governmental funds to support MSEs businesses.					
6	I have my own enough source of finance to run my business.					
7	I am satisfied with the financial access given by microfinance and other lending institutions					
8	There are non-governmental organizations (NGOs) funds to support my business					
9	Access to finance is a major challenge that affects the growth of my business					

II. Infrastructure factors

No.	Items	Agreement scale				
		1(SD)	2 (D)	3 (N)	4 (A)	5 (SA)
1	There is adequate road access in my business area.					
2	There is sufficient and quick access to transport in my business area					
3	I have got technology support from a micro and small institute					
4	I have enough money to access new technology					
5	There is sufficient water supply in my business area					
6	There is sufficient electricity supply in my business area					
7	The cost of electricity is affordable to my business.					
8	I have enough and appropriate working materials such as types of machinery, and other types of equipment for my business.					
9	I have got raw material supports from MSEs institute					

III. Institutional coordination factors

No.	Items	Agreement scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
1	There is a strong relationship within organizations such as financial sectors, banks, microfinance, and others to facilitate the market access of MSEs.					
2	There is effective communication within organizations to support MSEs' business.					
3	There is a clear division of duties and responsibilities within organizations to support MSEs' business.					
4	There is strong bureaucracy within the company during the registration and licensing of MSEs.					
5	There is an institutional follow-up while in MSEs in a working place.					
6	There is good governance within organizations that have a direct relationship with MSEs.					

IV. Access to business information service problems

No.	Items	Agreement scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
1	Access to business information affects the performance of my business.					
2	Business information is readily available in this market.					
3	The information available is relevant to our business.					
4	The information available informs us of the changes in the business environment.					
5	The information necessary for the business is availed on time.					

V. Performance of MSEs

No.	Items	Agreement scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
	Profitability					
1	My business profit is in a good position					
2	My business profit is increased from time to time					
3	My business has the potential to grow/expand					
4	I have sustainable profit since I started my business					
5	I am satisfied with the growth in sales of my products and/or services					
	Productivity					
1	The level of my business productivity is increased from time to time.					
2	I am satisfied with the growth of my business productivity.					
3	My business can provide verities of product/ service to care for the need of all types of customers.					
	Market share					
1	Our company is more effective in opening up a new market or expanding existing markets than our competitors.					
2	Our business market share is highly increased in the last three years.					
3	Our company can change the market or lead customers' needs in new directions.					

The end.

Thank you very much!!!

አዲስ አበባ ዩኒቨርሲቲ
የቢዝነስና ኢኮኖሚክስ ዩኒቨርሲቲ
የማኔጅመንት ትምህርት ክፍል ድህረ ምረቃ መርሃ ግብር
በአነስተኛና ጥቃቅን ኢንተርፕራይዝ ባለሀብቶች የሚሞላ መጠይቅ

መግቢያ

ዉድ የጥናቱ ተሳታፊዎች፡-

እኔ በአዲስ አበባ ዩኒቨርሲቲ የማኔጅመንት ትምህርት ክፍል የቢዝነስ አስተዳደር የድህረ ምረቃ ተመራቂ ተማሪ ስሆን በአሁኑ ሠዓት የመመረቂያ ዕሁፌን በማዘጋጀት ላይ እገኛለሁ። የጥናቴ ርዕስም “በቂርቆስና አራዳ ክፍለ ከተማ የሚገኙ የጥቃቅንና አነስተኛ ተቋማት አፈፃፀም ላይ ተፅዕኖ የሚያድሩ ተግዳሮቶችን” ይመለከታል። እርስዎም በዚህ ጥናት እንዲሳተፉ ተመርጠዋል። እርስዎ የሚሠጡትን ትክክለኛ መረጃ ለጥናቴ ዉጤታማነት በጣም አስፈላጊ መሆኑን በመገንዘብ መጠይቁን በጥንቃቄ እንዲሞሉ እጠይቃለሁ። ሁሉም መረጃዎች ለትምህርታዊ ዓላማ ብቻ ይወላሉ። ጊዜዎን ሰዉተዉ ስለሚያደርጉልኝ ትብብር በቅድሚያ አመሠግናለሁ።

ሽመልስ ዘለቀው

09 20 85 43 47

ማሳሰቢያ፡- በመጠይቁ ላይ ስም አይፃፍም።

መልስዎን በሣጥኑ ዉስጥ የእርማት ምልክት (✓) ያስቀምጡ።

ክፍል አንድ፡ አነስተኛ የንግድ ኢንተርፕራይዝ ባለቤቱ የግል መረጃዎችና አጠቃላይ መረጃዎች

1. ያታ፡- 1. ወንድ 2. ሴት
 2. እድሜ፡- 1. ከ20 ዓመት በታች 2. ከ21—30 ዓመት
 3. ከ31- 40 ዓመት 4. ከ41—50 ዓመት
 5. ከ50 ዓመት በላይ
 3. የጋብቻ ሁኔታ፡- 1. ያላገባ 2. ያገባ 3. የፈታ/ች/ 4. በሞት የተለየባት/ችበት
- የትምህርት ደረጃ፡-**
1. ማንበብ መፃፍ የሚችል 2. ከ1-4ኛ ክፍል 3. ከ5-8ኛ ክፍል
 4. ከ9 — 12 ክፍል 5. ሰርተፍኬት 6. ዲፕሎማ 7. ዲግሪ

5. የሥራ ልምድ

0-5 6-10 11-20 21 በላይ

ክፍል ሁለት፡ በጥቃቅንና አነስተኛ ተቋማት የስራ እንቅስቃሴ ላይ ተፅዕኖ የሚያሳድሩ ጉዳዮች

ከዚህ በታች ለጥቃቅንና አነስተኛ ተቋማት የአፈፃፀም ችግር ሊሆኑ የሚችሉ ነገሮች ተዘርዝረዋል። ከተዘረዘሩት የዕርስዎን የችርስዎን የስራ ዘርፍ ይበልጥ ተፅዕኖ የሚያሳድሩትን በደረጃ ያመለክቱ ለእያንዳንዱ ጥያቄ ከአማራጮቹ አንዱ ጊዜ ብቻ የ(✓) ምልክት በማድረግ ምላሽ ይስጡ።

1= በጣም አልስማማም 2= አልስማማም 3=ለመወሰን እችላለሁ
4= እስማማለሁ 5= በጣም እስማማለሁ

1. ከገንዘብ ጋር የተያያዙ ችግሮች

ተ.ቁ	ከገንዘብ ጋር የተያያዙ ችግሮች	የስምምነት ደረጃ (መጠን)				
		1	2	3	4	5
1	በባንኮች ወይም በሌሎች አበዳሪ ተቋማት የሚከፍሉት የወለድ መጠን ምክንያታዊ ነው ።					
2	ባንኮችና ሌሎች አበዳሪ ተቋማት ብድር ለማበደር የሚጠይቁት ማስያዣ ክፍተኛ ነው።					
3	የማይክሮ ፋይናንስ እና ሌሎች የብድር ተቋማት ገንዘብ ለማበደር የሚከተሉት ውስብስብ አሰራር አሰልፎ ስለሆነ ብድር በወቅቱ እንዳናገኝ አድርጎናል።					
4	አብዛኛዎቹ ማይክሮ ፋይናንስ እና ሌሎች የብድር ተቋማት ለጥቃቅንና አነስተኛ ተቋማት የረጅም ጊዜ ብድር ለመስጠት ፈቃደኞች አይደሉም ።					
5	የጥቃቅንና አነስተኛ ንግድ ስራን ለመደገፍ የሚረዳ ከመንግስት የገንዘብ ድጋፍ አግኝቻለሁ					
6	የንግድ ሥራዬን ለማከናወን የሚያስችል የራሴ የሆነ በቂ የገንዘብ ምንጭ አለኝ ።					
7	በማይክሮ ፋይናንስ እና በሌሎች አበዳሪ ተቋማት በሚሰጠው የገንዘብ ድጋፍ አቅርቦት ረክቻለሁ ።					
8	መንግስታዊ ካልሆኑ ድርጅቶች/መያድ/ የንግድ ስራዬን ለመደገፍ የሚያስችል የገንዘብ ድጋፍ ተደርጎልኛል።					
9	በቂ የሆነ የገንዘብ አቅርቦት አለመኖር የንግድ ሥራዬን እድገት የሚካነ ዋና ተግዳሮት ነው ።					

2. ከመሠረተ ልማት ጋር የተያያዙ ችግሮች

ተ.ቁ	ከመሠረተ ልማት ጋር የተያያዙ ችግሮች	የስምምነት ደረጃ (መጠን)				
		1	2	3	4	5
1	በንግድ ስራዬ አካባቢ በቂና ጥራቴን የጠበቀ የመንገድ ተደራሽነት አለ ::					
2	በንግድ ስራዬ አካባቢዬ ፈጣንና በቂ የሆነ የትራንስፖርት አገልግሎት ማግኘት ችያለሁ::					
3	ከጥቃቅንና አነስተኛ ተቋም የቴክኖሎጂ ድጋፍ አግኝቻለሁ ::					
4	አዳዲስ የቴክኖሎጂ ግብዓቶችን ለመግዛትና ለመጠቀም የሚያስችል በቂ ገንዘብ አለኝ ::					
5	በንግድ ስራዬ አካባቢ በቂ የሆነ የውሃ አቅርቦት አለ ::					
6	በንግድ ስራዬ አካባቢ በቂ የሆነ የኤሌክትሪክ አቅርቦት አለ ::					
7	ለንግድ ስራዬ የተጠቀምኩትን የኤሌክትሪክ ፍጆታ የምከፍለው ዋጋ ተመጣጣኝ ነው ::					
8	ለንግድ ስራዬ የሚስፈልጉ ቁሳቁሶች እንደ ማሽነሪ እና የመሳሰሉት ሌሎች መሣሪያዎች በቂ እና ተገቢ ቁሳቁሶች አሉኝ ::					
9	ከጥቃቅንና አነስተኛ ተቋማት የቁሳቁስ ድጋፎችን አግኝቻለሁ ::					

3. ከተቋማት ቅንጅት ጋር የተያያዙ ችግሮች

ተ.ቁ	ከተቋማት ቅንጅት ጋር የተያያዙ ችግሮች	የስምምነት ደረጃ (መጠን)				
		1	2	3	4	5
1	የጥቃቅንና አነስተኛን የገበያ ተደራሽነት ለማመቻቸት እንደ ፋይናንስ፣ ባንኮች፣ ማይክሮ ፋይናንስ እና ሌሎች ድርጅቶች መካከል ጠንካራ ግንኙነት አለ ::					
2	የጥቃቅንና አነስተኛ ተቋማትን ንግድ ለመደገፍ በድርጅቶች መካከል ውጤታማ ግንኙነትና መልካም መግባባት አለ ::					
3	የጥቃቅንና አነስተኛን ንግድ ለመደገፍ በድርጅቶች መካከል ግልጽ የሥራ እና የኃላፊነት ክፍፍል አለ ::					
4	የጥቃቅንና አነስተኛ ምዝገባ እና ፈቃድ በሚሰጥበት ጊዜ ከተቋማት በኩል ውጣውረድ የሚያበዛ አሰራር አለ ::					
5	የጥቃቅንና አነስተኛ ተቋማት በስራ ቦታችን በመገኘት ተገቢውን ድጋፍና ክትትል ያደርጉልናል::					
6	ከጥቃቅንና አነስተኛ ተቋማት ጋር ቀጥተኛ ግንኙነት ባላቸው ድርጅቶች ውስጥ መልካም አስተዳደር አለ ::					

4. ከንግድ ስራ መረጃ የአገልግሎት ተደራሽነት ጋር የተያያዙ ችግሮች

ተ.ቁ	ከንግድ ስራ መረጃ የአገልግሎት ተደራሽነት ጋር የተያያዙ ችግሮች	1	2	3	4	5
1	የንግድ ሥራ መረጃ ማግኘቴ የንግድ ሥራዬን አፈፃፀም ያሳድግልኛል ::					
2	የንግድ መረጃ በዚህ ገበያ /በጥቃቅንና አነስተኛ የንግድ ተቋም/ ውስጥ በቀላሉ ይገኛል ::					
3	አግባብነት ያለውና ወቅታዊ የመረጃ አቅርቦት ማግኘት ለንግዳችን ስራ ከፍተኛ የሆነ ጠቀሜታ አለው::					
4	በአካባቢያችን አግባብነት ያለው መረጃ ማግኘታችን በንግዱ ስራ ውስጥ ስላለው ለውጥ እንድናውቅ ይረዳናል ::					
5	ለንግዱ ስራ ያገኝነውን አስፈላጊው መረጃ በሰዓቱ ጥቅም ላይ እናውላለን ::					

5. የጥ/አ/ኢንትረፕራይዝ አፈፃፀም በተመለከተ

ተ.ቁ	1. ከትርፋማነት አንጻር	የስምምነት ደረጃ (መጠን)				
		1	2	3	4	5
1	የምስራው የንግድ ሥራ ትርፍ አፈጻጸም በጥሩ አቋም ላይ ነው ::					
2	የንግድ ሥራዬ ትርፍ ከጊዜ ወደ ጊዜ እየጨመረ ነው ::					
3	የንግድ ስራዬ የማደግ/የማስፋት/ አቅም አለው ::					
4	ሥራዬን ከጀመርኩ ጀምሮ ዘላቂ ትርፍ አገኛለሁ ::					
5	በንግድ ስራዬ ምርቶቼ ውጤታማነት እና በአገልግሎቶቼ ሽያጭ ማደግ ረክቻለሁ ::					
ተ.ቁ	2. ከምርታማነት አንጻር					
		1	2	3	4	5
1	የእኔ የንግድ ምርታማነት ደረጃ ከጊዜ ወደ ጊዜ እየጨመረ ነው ::					
2	በንግድ ስራዬ የምርታማነት እድገት ረክቻለሁ ::					
3	የእኔ የንግድ ሥራ ሁሉንም ዓይነት የደንበኞችን ፍላጎት ለመንከባከብ የምርት / የአገልግሎት እውነታዎችን መስጠት ይችላል ::					
	3. ከገበያ ድርሻ አንጻር					
		1	2	3	4	5
1	ከተፎካካሪዎቻችን የበለጠ አዲስ ገበያ ለመክፈት ወይም ነባር ገበያዎች ለማስፋፋት የንግድ ድርጅታችን የበለጠ ውጤታማ ነው ::					
2	ባለፉት ሶስት ዓመታት ውስጥ የእኛ የንግድ ገበያ ድርሻ በከፍተኛ ሁኔታ ጨምሯል ::					
3	የንግድ ድርጅታችን ገበያን መለወጥ ወይም የደንበኞችን ፍላጎት በአዲስ አቅጣጫዎች መምራት ይችላል ::					

በፈቃደኝነት ምላሽዎን ስለሰጡ ከልብ አመሰግናለሁ!!!