Addis Ababa University
College of Business and Economics
School of Commerce
Department of Project Management

Assessment on Factors Affecting Quality Management Implementation Challenges in Small and Medium-Sized Leather Business Enterprises in the City of Addis Ababa

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Approved by Board of Examiners:

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Declaration

I, the undersigned, declare and certify that this project thesis document, "Assessment on Factors Affecting Quality Management Implementation Challenges in Small and Medium-Sized Leather Business Enterprises in the City of Addis Ababa" is my original work, and that all sources of materials utilized in this study have been identified and acknowledged as comprehensive references. This research project work has never been used to fulfill the requirements for a degree at this or any other recognized educational institution. This research work is being submitted in partial fulfillment for the Master of Arts in Project Management, Distance Program in Addis Ababa University, College of Business and Economics, School of Commerce, Department of Project Management.

Author	Signature	Date

I hereby formally declare that this project thesis work, titled "Assessment on Factors Affecting Quality Management Implementation Challenges in Small and Medium-Sized Leather Business Enterprises in the City of Addis Ababa" is done by Fikerte Tebebe under my supervision and it is an original work except for references and citations which have been duly acknowledged. I also declare that it has not been previously or concurrently submitted for any other degree at AAU or other institutions.

Advisor	Signature	Date

Dedication

To my beloved family and friends.

Acknowledgement

First and foremost, I would like to take this opportunity to thank GOD, the Almighty, for the wisdom, perseverance, strength and patience he gave me to get through this project research work. Next, I would like to express my most sincere and deepest gratitude to my supervisor Dr. Wubshet Bekalu for his limitless support, guidance and encouragement throughout the research project work. I am greatly honored to work under such a humble person, who motivated and believed in me.

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List of Acronyms

CEO	Chief Executive Officer
GDP	Gross Domestic Product
IoT	Internet of Things
ISO	International Organization for Standardization
LLPI	Leather and Leather Product Industry
PDCA	Plan-Do-Check-Act
PMI	Project Management Institute
PMBOK	Project Management Body of Knowledge
QC	Quality Control
QM	Quality Management
QMS	Quality Management System
RHS	Raw Hide and Skin
RII	Relative Importance Index
SD	Standard Deviation
SME	Small and Medium-sized Enterprise
SSA	Sub-Saharan Africa
TQM	Total Quality Management
TVET	Technical and Vocational Education and Training

Abstract

Over the past few decades, Addis Ababa's and Ethiopia's leather-based small- and medium-sized business enterprise sector has experienced an enormous growth, and in the years to come, this sector is predicted to further continue to flourish. It is one of the economic sectors that supports the nation and city's development and change while providing jobs and income for a large number of youths and residents. One of the most crucial and significant features of any SMEs globally is the factors influencing its quality management implementations and practices. Although the leather-based SMEs sector in Ethiopia has a positive image and a long history, it has faced several challenges due to many variables that impact its QM implementations and its final output products, limiting its potential to grow even further and compete in the global market. This research study work used a quantitative methodology, collecting data through the use of questionnaires. Purposive sampling was used to choose a total of eighty participants who agreed to take part in the study. The study found a number of factors influencing the QM implementations of leather-based SMEs; therefore, it can be used as a guide for future research. It was also discovered that a sizable portion of the city's SME practitioners lacked quality related knowledge, awareness, skill, strategy, management, and technological expertise in addition to lacking appropriate finance and modern-day equipment and tools for its successful implementations. The research recommends that critical interventions in policies, taxes & tariffs and in availing working places and finances, and capacity buildings and trainings in quality related knowledge and management for leather-based SME practitioners is a must if the sector is deemed to succeed and tap its full potential.

Key words: Small and Medium Enterprises (SME), Leather-Based SMEs, Addis Ababa, Quality, Quality Management.

Chapter One

Introduction and Background

1.1 General Overview on SMEs

Today, the majority of businesses worldwide are Small and Medium Enterprises (SMEs), which contribute significantly to the growth of the global economy and the creation of new jobs (Bayramov et al., 2017). SMEs account for the vast majority of companies doing business globally and make up the majority of the world economy (Gerber, 2021). SMEs play a significant role in the economy of a country. They produce and create jobs, particularly in recessionary times; they inspire creativity and entrepreneurial spirit; they make use of the individual's creative energy; they foster competition; and they serve as the foundation for future businesses.

SMEs are largely viewed as the driving factor of economic development, job creation, and poverty reduction in developing countries (Nseobot et al., 2020). They have been the means through which faster economic growth and rapid industrialization have been achieved. While the contributions of SMEs to development are mostly accepted, entrepreneurs face many obstacles that limit their long-term survival and development. The prevalence of SMEs has drawn attention worldwide, according to empirical data from all across the world. Since the 1950s, there has been debate over the initial notion, developed at the end of the 19th century, that huge enterprises provide the most economic support (Wang, 2016). These days, it is impossible to underestimate the important role that SMEs play in the global economy.

Numerous economies around the world have benefited greatly from the expansion, innovation, and success of small and medium-sized businesses (SMEs). SMEs in developing nations, however, have to contend with fierce competition in the world market (Prasanna et al., 2019a).

1.2 Leather and Leather Product Industry (LLPI) SMEs

Majority of nations in Africa view the leather SME industry as a key economic engine that significantly boosts economic expansion by creating jobs and bringing in foreign direct investment (Ndlela, 2017; Signé & Johnson, 2018). The leather industry comprises subsectors for leather goods and garments, footwear, leather gloves, and tanneries. When it comes to the many stages of production, storage, and shipping, leather alone demands extreme caution. Historically, Ethiopia's SME industry has played a significant role in the country's economic activities, particularly in terms of creating a lot of jobs (Shiferaw, 2017). It has also been acknowledged that Ethiopia's small and medium-sized businesses play a significant role as growth and development engines.

According to (Boario, 2012), Ethiopia has 25.5 million sheep, 22.7 million goats, and 53.4 million cattle animal resources. This places the nation among those with abundant cattle resources. The nation is thought to be able to harvest 3.7 million hides from cattle, 8.4 million skins from sheep, and 7.7 million skins from goats. The quality of the sheepskins is highly renowned. Particularly the goat skins are renowned for their excellence and widespread acceptance. Goat and sheep skins are both popular for usage in shoe uppers as well as the fabrication of leather clothing and gloves. The nation's abundance of resources demonstrates its enormous potential in the leather sector.

There has been a rise in the leather apparel and accessory industry in recent years (Boario, 2012). However, when compared to the national average of 35.92%, the leather and leather sector industry's efficiency is lower (24.67%) when measured by the ratio of value contributed to gross value of product. The efficiency of the footwear industry is higher than that of the tanning and leather goods business within the sub-sector. Value added per labor or wage bill as productivity indicators appear to account for less than half of the nation's manufacturing sector. In comparison to other industries, the average wage per labor in the footwear sector is much lower at 738.7 birr per month. On the other hand,

the tanning industry (938.8 birr) does well. In terms of productivity and efficiency, the leather industry appears to be generally less competitive and pays less than the national average. This justifies ongoing development involvement and is a cause for concern, especially given the need to make the sector competitive in the global market.

Since most flaws in leather and leather products are irreparable, the issue of quality in the manufacturing process is crucial (Berber & Birbir, 2019). Rework or correcting damage sustained during the manufacture of leather, leather goods, and clothing results in increased labor expenses and perhaps product rejection. As a result, applying Quality Control (QC) principles to all stages of production has a positive effect on the final goods, ensuring that end consumers receive flawless goods (Syduzzaman et al., 2014). Limitations within the leather and leather goods sector of Ethiopia include; lack of hides and skins, lack of completed leather, competition from imported inputs, lack of skilled labor, design flaws, access to finance, physical infrastructure and custom, labor, earnings, and poverty issues (Adem, 2019a).

1.3 Leather and Leather Product Quality and Quality Management

Quality is defined as "the degree to which a set of inherent characteristics of a product, service, or result fulfills the requirements" by Project Management Body of Knowledge (PMBOK) (PMI, 2021). Quality also includes the ability to meet the expressed or implicit needs of the customer. Quality of a product, service, or outcome (called deliverables) is evaluated in terms of both compliance to acceptance criteria and fitness for use. Performance, conformance, dependability, resilience, satisfaction, homogeneity, efficiency, and sustainability are some of the different dimensions of quality. Therefore, the degree to which a set of inherent features fulfills requirements is how a project's quality is determined. It should be emphasized that quality and scope, timeline, and budget are all important factors to consider.

Quality Management (QM) is the practice of continuously assessing the caliber of all operations and implementing corrective measures up until the target caliber is attained, according to (Rose, 2005). Quality management is the process of making sure that every activity needed to design, organize, and carry out a project is successful and efficient in terms of the goal's performance and purpose.

The goal of QM is to raise stakeholder satisfaction through process optimization—removing unnecessary steps, for example—and constant improvement of the resources and services provided to recipients (Rocha-Lona et al., 2013). Quality management is not just the after-the-fact defect detection and correction but also the ongoing monitoring and application of quality processes in all aspects of the project. It is a procedure rather than an occurrence; a subpar procedure cannot reliably deliver a high-quality good or service. In order to reach the desired level of quality, quality management consists of a cycle in which processes are updated, quality is measured, updated, and so on. Quality management planning, quality management auditing, and quality control are the three processes that make up the QM domain (Besterfield et al., 2014).

Any circumstance in which product quality requirements are not met can have serious consequences for any or all product stakeholders (Irjayanti & Azis, 2021). It is more important to prevent and steer clear of low-quality outputs than it is to monitor and fix them (Hebo et al., 2020). The goal of quality management is to achieve the intended level of product quality through organized, well-planned activities (Chin-Keng, 2011). From the perspective of a leather-based company, quality management should mean upholding the necessary caliber to satisfy clients, thereby guaranteeing long-term competitiveness and business survival. According to (Chin-Keng, 2011), quality management is in charge of fostering an environment where pertinent tools, processes, and procedures may be successfully implemented, leading to an organization's operational success.

In order to meet the goals of stakeholders, it involves incorporating the organization's quality policy into the planning, management, and control of project and product quality standards. Additionally, it motivates the performing organization to work on ongoing process improvement.

1.4 Statement of the Problem

The economy and the struggle against poverty in emerging countries like Ethiopia depend heavily on SMEs. Leather and leather product industry can be deemed successful if products are finished on time, within budget, and to the required quality. These outcomes can greatly satisfy all stakeholders in the sector. Nonetheless, a number of studies indicate that the Leather and leather product industries in developing nations—including Ethiopia—fall short of the expectations of consumers, when it comes to quality measures. Although SME businesses now play a crucial role in driving innovation, economic growth, and prosperity in both developed and developing nations, they are affected via different significant barriers (Govori, 2013).

Maintaining the necessary level of product quality should be the goal of quality management in leather and leather product industry in order to satisfy customers, preserve long-term competitiveness, and assure business survival. In today's more challenging and competitive global market, quality management is essential for any business to thrive. Product quality management makes it possible to meet or beyond the needs and expectations of stakeholders. The expectations for quality management procedures have not always been met in leather and leather product-based SME industries. Numerous earlier researches confirm that quality failures are a pervasive part of the industry due to the sector's disregard for quality promises.

Undoubtedly, there exists a current and urgent necessity to examine the implementation of quality management in leather and leather product SME industry. This proposed

project study effort aims to investigate product quality management approaches, management commitment, and quality management implementation issues, with a particular focus on leather-based SMEs in Addis Ababa.

1.5 Research Questions

- What are the tools, policies, procedures, and methods utilized in leather quality management?
- How does one go about creating, carrying out, and overseeing a quality management plan? What function does the top management serve?
- What concerns, difficulties, and issues arose from the use of quality management?
- What techniques are employed to instruct workers in the application of project quality management?
- To what extent is information dissemination about leather product quality?

1.6 Project Research Objectives

1.6.1 General Objective

The general objective of the proposed research project work is to study, asses and evaluate factors affecting quality management implementation challenges in leather-based SMEs in the city of Addis Ababa.

1.6.2 Specific Objectives

The specific objectives of the research project study work are:

- To access quality management awareness in leather-based SMEs in Addis Ababa city.
- To ascertain staff engagement in quality management implementation, and training.

- To identify factors (both internal and external) that affect quality management implementations of leather-based SMEs in Addis Ababa city.
- To ascertain the quality management procedures, guidelines, instruments, and methods used leather-based SMEs in Addis Ababa city.
- To ascertain top management's accountability for the planning, execution, and oversight of the quality management process.
- To assess policies and practices guiding the practice of leather-based SMEs affecting their quality management implementations in Addis Ababa city.

1.7 Research Project Work Scope

The main purpose of the proposed project work is to study, asses and evaluate factors affecting the quality management implementation in leather-based SMEs in the city of Addis Ababa. However, due to time and financial limitations/constraints the study will be only limited to the investigation of systematically selected leather-based SMEs from different sectors in the city of Addis Ababa. Furthermore, although there are different factors that can be researched in relation to quality management implementation challenges in leather-based SMEs, the scope of the study will be limited to investigation only major factors that are internal and external to the SMEs and policies and practices guiding the practice of SMEs in the city.

1.8 Significance of the Study

The findings of the proposed research project work will be important in a number of ways, including;

- **Knowledge Contribution:** The findings of this study will be useful in adding knowledge to the existing knowledge poll and help future researchers who will be interested to study in the area of leather-based SMEs. The study will be also a focal

in showing the factors affecting the quality management implementations of leather-based SMEs in Addis Ababa.

- **Policy Contribution:** The findings of this study will be helpful to policy makers and serve as a reference when they examine, formulate and implement polices related to leather-based SMEs. The finding of the study will also be helpful in influencing and formulating policy in relation to the ways and means to remedy the circumstance and facilitate efficient practices in the leather-based SMEs sector.
- **Existing Leather-Based SMEs:** The findings of the study will be helpful for existing leather-based SMEs owners, managers, and employees so that they can identify the factors that are affecting their quality management implementations and make them better prepared to deal with them.
- **Future SMEs:** The findings of the study will be helpful in giving insight for people who are interested in starting new leather-based SMEs in the future in the city on how to better deal with quality management implementation issues that they might possibly face. In order for leather-based SME business owners to make a more significant contribution to the economic development of the nation as a whole and of the city in particular, it is also hoped that this study will contribute to the body of knowledge already in existence and advance understanding of how to best empower entrepreneurs in the sector.
- **Personal Benefits:** The findings of the study will be useful in fulfilling the requirements for the award of Masters of Arts in Masters of Project Management of the researcher.

1.9 Project Research Work Report Organization

This final thesis document of the project research work is divided into the following five main chapters. The current chapter, Chapter One, presented general overview on SMEs,

Leather and Leather Product Industry (LLPI) SMEs, leather and leather product quality and quality management, statement of the problem, research questions, project research objectives (general objective and specific objectives), research project work scope, significance of the study, and project research work report organization.

Chapter Two, gives details on global Small and Medium Enterprises (SMEs), SMEs in developing countries, SMEs in Ethiopia, leather and leather product SMEs in Ethiopia, factors affecting QM implementation in leather-based SMEs (quality management awareness and practice factors, strategic factors affecting quality management implementations, tactical factors affecting quality management implementations, operational factors affecting quality management implementations, financial factors affecting quality management implementations, technological and working place factors, supply-chain and infrastructure factors, government policy factors, and cross-functional product design factors), research gap, and finally conceptual framework .

Chapter Three of this thesis document discusses in details on research design, research approach, population of the study, sampling techniques, source of data, data collection tools, procedure of data collection, methods of data analysis and presentation, validity of reliability, ethical consideration, and finally interpretation and computation techniques used (mean value computation, and Relative Importance Index (RII) computation).

In Chapter Four, primary data analysis (major characteristics of the study respondents), general demographic information, quality awareness and practice assessment, strategic factors assessment, tactical factors assessment, operational factors assessment, financial factors assessment, technological and working place factors assessment, supply-chain and infrastructure factors assessment, government policy factors assessment, cross-functional product design factors assessment, and overall assessment summary is presented.

Chapter Five summarizes the fundamental findings and aspects of the research project work delivering details on summary of major findings, conclusion, recommendation, and direction for future research. Finally, Appendix A gives the questionnaire used for this research study work.

Chapter Two

Literature Review

This section provides information, descriptions, summaries, and assessments of sources in relation to their contribution to the study topic of factors affecting quality management implementations in leather based Small and Medium-sized Enterprises (SMEs) in the city of Addis Ababa. It provides a review of literatures in this field that has been studied earlier by other authors and researchers.

2.1 Global Small and Medium Enterprises (SMEs)

SMEs are the primary drivers of economic growth and employment creation in the globe (Humphrey, 2003; Wang, 2016). The SME sector is well recognized for its relevance since it has played a significant role in attaining several socioeconomic goals, such as increased growth in output, employment, export promotion, and entrepreneurship (Keskġn et al., 2010). According to recent empirical data, SMEs in high-income countries make for over 55% of Gross Domestic Product (GDP) and over 65% of all employment (Zafar & Mustafa, 2017). SME's and unofficial firms account for more than 60% of GDP and more than 70% of all jobs in low-income countries; in middle-income countries, they account for more than 95% of all jobs and roughly 70% of GDP (Ullah, 2019).

SMEs have a crucial role in tackling issues linked to national development, such as the generation of jobs and revenue, since they are the cornerstones for skill development, poverty reduction, empowerment, and the sustainability of communities' livelihoods (Chege & Wang, 2020). Furthermore, SMEs provide a substantial contribution to the socioeconomic development of the community by creating jobs, spreading wealth, and making money in order to participate and compete in the global economy (Geremewe, 2018).

2.2 SMEs in Developing Countries

Due to their ability to enhance exports, fight poverty, generate jobs, and improve income distribution, SMEs are becoming more and more important in developing countries (Pandya, 2012). They foster the expansion of industry, business, and the rural economy. SME development and economic growth are closely related in every country, according to recent studies (Agussalim et al., 2019; Gherghina et al., 2020). In summary, it can be concluded that the SME sector is essential to the growth and health of the economy regardless of whether a country is developing or developed (Pandya, 2012). Decision-makers must therefore take into account the critical factors impacting the sector's beneficial expansions.

Despite having high inherent growth potentials, SMEs in developing countries face a number of challenges, such as suboptimal operation scale, technological obsolescence, inefficiencies in the supply chain, limited skilled manpower, increased domestic and international competition, funding shortages, changes in manufacturing strategies, and a highly volatile, uncertain market environments (Das et al., 2020). Moreover, the majority of SMEs in developing countries, have been only partially or not at all able to benefit from globalization (Mutalemwa, 2015). Hence, these SMEs find themselves in a situation where they cannot flawlessly compete with imported goods, which are sometimes more affordable and of higher quality (Lall, 2000).

Moreover, besides to their significant and positive responsibilities, SMEs in developing countries, especially in Africa, additionally face a number of other challenges, including poor knowledge (knowledge gap), corruption, lack of proper funding, insufficient managerial abilities, and restricted entree to influence and impact (Muriithi, 2017). Strangely, most African governments offer only a very little assistance to SMEs, neglecting an important economic engine that should be one of the cornerstones of development (Alharbi et al., 2015).

According to (Muriithi, 2017), African nations should incorporate SMEs into their development agendas, design and craft policies that foster their expansions. SMEs have the potential to significantly impact African development, establish the continent as innovative and competitive, generate employment for underemployed communities, and supply basic goods and services to the continent's 1.2 billion inhabitants with access to capital (Alharbi et al., 2015). All of these benefits are contingent upon the establishment of an appropriate legal framework, business infrastructure, dependable utilities, sufficient capacity building, proper policies, and accessible financial sources.

2.3 SMEs in Ethiopia

SMEs are crucial to most global economies, but particularly in developing countries like Ethiopia, their sustainability is a crucial component of economic growth for a number of reasons (A. Y. Ali, 2021). Ethiopia's sustainable development goals have benefited greatly from the growth of SMEs, which have raised living standards, decreased poverty, and created jobs (Tekola & Gidey, 2019a). One of Ethiopia's most important development projects was creating jobs to accommodate the country's expanding labor force, which contributed to a decrease in poverty.

Through microbusinesses, Ethiopia employs the greatest percentage of workers from poor countries (Ojulu, 2021). The Ethiopian government proposed MSEs as a means of achieving sustainable development goals and providing jobs for millions of youths (Endris & Kassegn, 2022). As a result, SMEs are encouraged by government backing to generate more jobs than large enterprises. Remarkably, MSEs account for 99% of new jobs created as opposed to 1% for medium- and large-sized firms (Tekola & Gidey, 2019b). Even though SMEs have the lowest overall asset share (17%), they generate 99% more jobs than medium-sized and big firms in Ethiopia (1%).

Hence, Ethiopia has acknowledged the significance of SMEs at the strategic and policy levels (Teka, 2022). They are thought to be a way to create jobs, fight poverty, guarantee food security, and encourage the expansion of the private sector. However, SME failure rates are startlingly high, despite a number of government initiatives and support programs aimed at making SMEs more durable and competitive (A. Y. Ali, 2021). Developing countries like Ethiopia have a greater SME failure rate than wealthy countries due to a variety of internal and external causes. Work via (Nega & Hussein, 2016), demonstrated how several factors and obstacles, particularly financial and skilled related, severely impair Ethiopian SME.

Ethiopia's micro and small enterprises are the cornerstone of its long-term economic growth (Teka, 2022). It can be applied as a direct tactic to promote more rapid and equitable economic growth. Several development plans in Ethiopia have placed a strong emphasis on SME promotion as a way to achieve transformation and widespread growth. Although the government has worked hard to improve micro and small enterprises' viability and growth, they continue to get confronted with several obstacles. While some businesses fail to survive, others carry on for an extended period of time without any significant changes, and most of them create similar yet distinctive goods.

2.4 Leather and Leather Product SMEs in Ethiopia

The government of Ethiopia has designated the leather and leather product economic sector as a priority sector due to the industry's enormous potential for the population of livestock; however, several internal and external issues make it less competitive both in local and international markets, particularly for local SMEs that manufacture leather products, the sector's performance is not up to par (Grumiller & Raza, 2019a). Ethiopia has the greatest livestock population in Africa and ranks 10th globally, thus with its comparative advantage in raw materials and inexpensive human resources, the nation had to be one of the biggest leather product makers and exporters in both Africa and the

globe (Abebe & Schaefer, 2013; T. Kenea, 2019). Despite this, several past studies have shown that the nation's leather industry a face fierce competition from imported goods.

Businesses nowadays must assess, evaluate, and enhance their performance in order to be competitive in a constantly shifting business environment (Kaplan & Norton, 2001). Performance metrics are essential to organizations because they enable decision-making and are the first step towards management and improvement. Performance is the valued productive output of a system, manifested in the form of commodities and services. The natural attributes of Ethiopian hides and skins—clarity, flexibility, strength, thickness, and compact texture—are well recognized. However, the leather industry is challenged via the following main factors (Husen et al., 2016);

- Supply of raw hide and skin in both quantity and quality,
- Technology to address the skin's and hide's surface flaws,
- Poor stakeholder connectivity and linkage in the value chain,
- Infant maturity stages of product development for final leather absorption,
- Absence or lack of supporting industries, such as those that manufacture chemicals, accessories, and components, etc., and the fact that nearly all supporting inputs are imported, and
- Poor market linkage with clients, heavy involvement of middle men, not getting fair rates.

Ethiopia gives the leather industry top priority (Grumiller & Raza, 2019b). However, compared to goals and Ethiopia's potential, the industry has underperformed. The quality of raw hides and skins in the Ethiopian leather value chain has long been acknowledged as the main issue. However, there isn't much information on how and why quality flaws occur along the value chain of the leather industry. Hence, the

performance of the leather industry is poor, even with the capacity of the animal population and the institutions and regulations that encourage its growth.

Previous researches in (Gebrehiwot & Gebreeyesus, 2018; M. Kenea, 2022; Tekletsadik, 2023) suggested that the primary causes of poor performance are low technological adoption, low quality and inconsistent Raw Hide and Skin (RHS) supply (both in quantity & quality), market, shortage of skilled labor, and budgetary restrictions. It is essential to consider the big picture while talking about quality issues. The contention is that quality flaws transpire along the entire value chain, encompassing the subsector that processes leather items, RHS processing and marketing, and animal husbandry. Numerous players and stakeholders are involved in each of these subsectors, and their actions can have a direct or indirect impact on the amount and quality of supply of RHS and leather goods. The whole value chain of the leather industry has minimal evidence explaining how and why quality flaws happen.

Ethiopia's manufacturing industry was first established in the early 1920s (Brautigam et al., 2018; Oqubay, 2015). One of the industries founded during this early phase of industrial endeavor was the leather industry. The leather and leather products industry has been a significant employer and supplier of foreign cash even though it has remained underdeveloped for the majority of its existence. The potential of the leather and leather goods industry in terms of employment, export revenues, and backward connections has led the Ethiopian government to designate it as one of the seven top priority manufacturing subsectors. Nonetheless, the industry faces numerous difficulties with regard to the market, skilled workforce, quality, and financing (Adem, 2019b).

For the majority of the last decades, Ethiopia's export performance for leather goods has been steadily increasing (Temesgen, 2022). However, its percentage of the world's leather product exports is still quite low. Despite having sizable populations of livestock, African nations like Ethiopia and Nigeria have not yet managed to gain a significant foothold in

the international markets for leather goods. Sub-Saharan Africa (SSA) as a whole continues to account for a very modest portion of global leather product exports (Staritz et al., 2016). This is mainly because of the quality flaws in the finished end products.

2.5 Factors Affecting QM Implementation in Leather-Based SMEs

SMEs' organizational structures are generally flatter than those of large companies (Baumann-Pauly et al., 2013). SMEs pay little attention to established operating processes and instead employ ad hoc methods. An owner/manager's culture and values are strongly embedded in the business as a whole in SMEs (Higgins & Aspinall, 2011). SMEs usually use simple, unorganized control systems as well. SMEs typically undertake small-scale, on-demand training and development programs. Furthermore, SMES hardly ever communicate with suppliers, customers, or professional associations. In terms of quality management implementation, numerous studies have shown that small organizations employ certain of its elements—such as training, bench-marking, and the use of high-quality instruments—just as successfully as larger companies (Jones, 2014).

Some of the challenges that are related to Quality Management (QM) implementations in SMEs include training-related issues, finance, culture, and management awareness (Bishop & Reeves, 2022). However, big businesses are also impacted by the problems associated with implementing quality management; hence SMEs are not the only ones. Empowerment, commitment, and organizational culture are reportedly some of the essential elements of a successful quality management adoption and implementations (Alkhoraif & McLaughlin, 2017). Many determining factors empower SMEs to thrive, flourish and accomplish their goals.

The primary challenges limiting SMEs quality management and success are divided in to the following main categories; quality management awareness and practice, strategic factors, tactical factors, operational factors, financial factors, technological and working

place factors, supply-chain and infrastructure factors, government policy factors, and cross-functional product design factors. The following subsections give details on each of the factors in depth.

2.5.1 Quality Management Awareness and Practice Factors

Effective quality control throughout the production life cycle of a leather product is directly associated with a higher-quality output yield (Mizanbekova et al., 2017). Efforts to increase quality awareness among enterprises, especially in small and medium business enterprises, is crucial, according to (Ashokkumar, 2014). Raising quality management knowledge among practitioners in the leather-based SME sector is also becoming more and more important due to the absence of formal quality management practices (Perwez, 2020). It is also recognized that one of the main causes of low product quality and the associated costs of producing low-quality products is a lack of quality awareness among SMEs in leather-based SMEs.

One of the fundamental elements affecting the success of leather industries is awareness of the quality of leather products (Moktadir et al., 2018). It asserts that awareness, interest, and understanding about sustainable production process are essential preconditions for realization on the path toward high-quality, sustainable leather products. It also revealed that the main obstacles to raising awareness levels in quality consideration and effective implementation are affordability, regulatory framework gaps, finished product performance being evaluated solely on economic attributes, country-specific variations in leather firm quality awareness, low implementation of practices even in industrialized (developed) countries, and low awareness of quality.

Additionally, a study conducted in 2006 by (K. Hussain et al., 2006) examined the connection between quality awareness and a quality management system. According to the article, focusing on quality at every level of the enterprise can help solve complex

problems and denote excellence. This technique is known as quality awareness. Recently, a lot of lather-based SMEs have focused on quality, in part due to the various issues as well as the quality system's increasing relevance. Regardless of the nature of the task, quality awareness is a critical issue in all industries trying to address quality concerns (Ross, 2017). However, any company can succeed if it realigns its quality efforts to meet the demands of the business in a limited amount of time during implementation. Quality consciousness, then, is a lifestyle revolution that brings about positive change without necessitating large financial outlays. Everyone must be involved, from executives to staff members.

As a result, it can be said that investing in quality takes time and consistently produces profits; there is no quick fix for it (Dale & Plunkett, 2017; Garvin, 1988). Furthermore, it is reasonable to conclude that awareness of the quality of leather products is one of the key variables impacting the quality management of any leather company, as regulating, ensuring, and planning quality is the purpose of implementing a quality approach in any sector, including the leather industry. It also helps employees, managers, and supervisors understand their responsibilities in meeting customer demands and expectations in the quality domain (Saffar & Obeidat, 2020).

2.5.2 Strategic Factors Affecting Quality Management Implementations

Strategic factors and aspects influencing the implementation of quality management in leather-based SME's encompass top management's commitment and support, corporate culture and infrastructure, leadership, continuous improvement, quality targets and procedures, and benchmarking (Nugroho & Nurcahyo, 2018).

The concept of top management team first emerged in the 1980s (Kariuki et al., 2016) and has since drawn interest from a variety of business management disciplines, particularly from strategic management perspective. According to (Finkelstein et al., 2009), top

management team is a "relatively small group of most influential; executives at the apex of the organization–usually the Chief Executive Officer (CEO) (or general manager)". While some researchers (Hambrick & Mason, 1984; Irungu & Arasa, 2017) see top management team as members of senior management who propose the organization's direction, others (Wiersema & Bantel, 1992) see it as the dominant coalition of individuals in charge of determining the organization's direction. Impacts of top management in QM implementation is hence crucial and one of the main strategic factors affecting it.

The views, values, conventions, practices, and habits of the organization make up its organizational culture (Ott, 1989). (Schein, 1992) characterized the idea as an understanding and recognized set of norms, shared values, concerns, and common views among the members of the organization. The organization's members acknowledge these as legitimate, adhere to them, and impart them to new recruits as a methodology for resolving issues and as a necessary way of thinking and acting. It's possible for new hires to enter an organization with preconceived notions about its culture, but more often than not, experienced employees also instill cultural expectations in their new hires.

Not only are individuals responsible for shaping and articulating the organizational culture, but both new and ancient organizational elements play a key role in QM implementations (Alateeg & Alhammadi, 2024). Routines, expectations for command and control, operational norms, and organizational structures all have an impact on QM implementations. Furthermore, a crucial tool for quality management that SMEs typically lack is continuous improvement, leadership, continual self-assessment and benchmarking practices (Majumdar, 2016).

2.5.3 Tactical Factors Affecting Quality Management Implementations

Labor empowerment, employment involvement, labor training, team building, information technology utilization, supplier connections, supplier quality, and

performance evaluation are some examples of tactical elements that affect quality management implementations in SMEs (Nugroho & Nurcahyo, 2018).

The "human resource constraint" that SMEs face while implementing quality management encompasses factors such as employee skill, education, and length of service as well as inadequate (no additional) manpower (Majumdar, 2016). Smaller organizations typically have fewer staff members to cover for individuals who must miss work to attend training sessions or take part in "quality improvement" initiatives.

Operator expertise and experience are fundamentally needed for quality problem solving and improvement, both of which are plainly necessary for QM adoption to be successful (G. A. Ali et al., 2020). In contrast to large-scale units, the expertise, experience, and educational attainment of operators are typically lower in SMEs.

In many SMEs, there is also a deficiency in "continuous customer and supplier-survey" and poor "customer and supplier relationship," which makes it difficult to apply QM effectively (Majumdar, 2016). Quality management through different QM techniques results in a good control over the qualities of the supplies as well as work, and collaborative relationships with the suppliers and contractors are absolute necessary (Patyal & Koilakuntla, 2017).

2.5.4 Operational Factors Affecting Quality Management Implementations

Both product and service design, process management, customer relationship management, market and customer knowledge, quality management implementation timetable, resource conservation and utilization, routine inspection, and job checks are some typical examples of operational aspects that affect quality management implementations in SMEs (Nugroho & Nurcahyo, 2018).

Previous studies in (Kumar & Antony, 2008a)have revealed that several operational variables that impact QM deployments, such as decreased scrap rate, cycle time, delivery

time, and increased productivity. SMEs typically function and operate with a single strategic apex manager (Ghobadian & Gallear, 1996). A hierarchy of authority is established in large companies as a result of the division of labor and responsibilities as well as "span of control" concerns. The manager at the strategic apex and the operatives are thus separated by a number of layers of management. This indicates that top managers are situated distant from the point of delivery in huge firms. Thus, unless they make it a point to see and experience the scenario at the point of delivery, they are likely to lack a thorough awareness of operational concerns, processes, customers' wants, and quality difficulties. In addition, they won't be as visible, and they'll have trouble setting an example of leadership and coordinating efficient communications related to quality management implementations.

Performance measures the operational system's capability and ability to meet previously defined competitive priorities, such as product or service quality, cost, and delivery time are other main factors affecting quality management implementations (Eniola et al., 2019). This implies that any firm should establish and preserve mutually beneficial relationships with its clients if it is to achieve better long-term performance.

2.5.5 Financial Factors Affecting Quality Management Implementations

SMEs around the world identify a fundamental problem with their inability to obtain financing and credit (Bartolacci et al., 2020; Kamunge et al., 2014). Credit constraints can take many different forms. For example, in the absence of a well-developed capital market, business owners are forced to borrow money from friends and family or finance their own ventures, neither of which is adequate to enable SMEs to fully expand their operations. Due to limited access to long-term loans, small enterprises are forced to rely on costly short-term funding. Furthermore, small and medium-sized enterprises (SMEs) also face several financial challenges, such as high bank fees and taxes and exorbitant loan expenses.

Hence, it is true that SMEs in the manufacturing sector may not have the resources to adopt quality management practices because of financial constraints (Kumar & Antony, 2008b). SME require additional fundings opportunities needed in the following areas (Majumdar, 2016): upgrades to components, materials, tools, and equipment in quality management, improving processes and consumption of advanced technology in quality management, enhancement of the infrastructure's assistance for quality management, provide thorough training to staff members on quality awareness, quality management concept, tools and techniques, the impact of quality management on organizational performance, identifying and resolving quality-related issues, and continuous improvement, and system enhancement, data processing, documentation, and data & information management related to quality management implementation.

2.5.6 Technological and Working Place Factors

The creation of new methods or procedures as well as the expansion and enhancement of those presently used in the production of an industry, a market, and an economy are all considered forms of "improved technology" or "technological progress/advances" (Prasanna et al., 2019b). Both the growth of a specific economic sector or the economy as a whole and the generation of social benefits from economic activity depend on technological innovation. Globally, numerous national-level experiences have suggested technological advancements or modifications in the SME sector are one of the key factors in order to take the economy into the following structural cycle of the economy (Das et al., 2020).

Technological progress is one of the theoretically accepted methods used to remove an economy's frontier barrier because it helps to increase the productivity, quality and efficiency of the economy's factors of production—labor, capital, and other resources—and increases the use of production inputs in the production process. The engine of technical advancement is the process of economic invention and innovation. One of the

elements influencing the performance and expansion of SMEs and quality management implementation worldwide, and particularly in emerging nations, is therefore technology (Qalati et al., 2021; Sitharam & Hoque, 2016).

The work conditions reflect workplace characteristics that may have an effect on employees' job duties (Rahaman et al., 2021). A positive work environment has been demonstrated to influence both staff retention, job satisfaction and quality product production. Unfavorable working conditions have a detrimental effect on job performance and output at work. Hence, one of the key elements influencing SME quality management implementation is workplace reality and suitability (Abebaw et al., 2018; Kamunge et al., 2014; Mutandwa et al., 2015).

2.5.7 Supply-Chain and Infrastructure Factors

Many businesses are using more and more efficient supply chain techniques, such as supplier-specific investment and information exchange, as the rivalry in international markets heats up (Zhou & Li, 2020). In order to reduce uncertainty in the business environment, suppliers and customers are connected through supply chain information exchange. Several studies have indicated that the exchange of supply chain information can encourage businesses to adopt efficient supply chain procedures (Muñoz-Villamizar et al., 2019). The importance of information integration across supply chain participants has grown, particularly in the current era of the Internet of Things (IoT). The ability of an organization to produce and distribute precise and timely information to facilitate the coordination of activities across partner companies in supply chains is revealed in information integration.

A supply chain that is integrated has a distinct competitive edge (Council, 2000). Investing specifically in suppliers is another crucial supply chain strategy. The specialized investments that manufacturers undertake to accommodate the products of

their suppliers and fortify their relationships with them are referred to as supplier-specific investments. Organizations may gain from specific investments made in accordance with supplier partnerships in a number of ways, including improved product quality, more flexibility, and lower overall costs (Gibbs & Humphries, 2009). Hence, supply-chain related issues are one of the key factors affecting quality management implementations in SMEs worldwide.

Infrastructure is one of the key components of economic growth and production (Mugo et al., 2019). How well an organization performs in terms of output volume, income, profits, and the generation of jobs in the economy will be greatly impacted by changes in the infrastructure employed in production processes (Sitharam & Hoque, 2016). The majority of Sub-Saharan African (SSA) countries still lack sufficient infrastructure, despite the fact that its availability and quality directly affect economic development (Obokoh & Goldman, 2016). The absence of suitable infrastructure in developing countries has hence hindered SMEs' capacity to effectively compete on the global market making their end products inferior in terms of quality matrixes (Mugo et al., 2019).

2.5.8 Government Policy Factors

It is essential to take into account the government's policies concerning SMEs when assessing their potential for growth and the adoption & implementation of quality management processes (Yeboah, 2021). Realizing the enormous contribution SMEs make to economic advancement, governments everywhere have made the development of the SME sector a top priority in order to foster economic growth in their individual countries. Currently, it still has a significant impact on the quality management implementations of SMEs even when many government policies and stimulus programs are targeted at them (J. Hussain et al., 2015; Muriithi, 2017; Storey, 2017). Hence, government policies, in which governmental facilitators recognize the benefits of QM implementation for economic

development, are one of the most significant driving engines for the successful implementation of QM worldwide (Beraki et al., 2022).

2.5.9 Cross-Functional Product Design Factors

Some of the factors that affect QM implementation and its impact that have been found to include are cross-functional training and cross-functional product design (Majumdar, 2016). The extent to which different departments engage in the development of new products, the thorough review of new designs prior to production, the extensive use of quality function deployment, and the careful consideration of customer requirements are the main examples of cross-functional product design factors that affect quality management implementations in SMEs globally (Addis, 2019).

2.6 Research Gap

Leather-based SMEs are one of the main pillars for job creation and economic development for many youths in the world. Hence, there is no doubt that the performance and growth of these SMEs is directly related to economic betterment in any part of the world. In order to achieve consistent SME growth and performance boost, quality management practice is a must and hence different techniques and polices are formulated and deployed in to action globally.

The leather-based SME business sector in Ethiopia and Addis Ababa, has been plunged with lots of factors affecting their performance and growth because of the quality of products it brings, and hence not delivering the anticipated impact on the economy of the city and the country at large. Hence, the need to assess on factors affecting SMEs quality management implementations, taking Addis Ababa city in to focus and consideration, where majority of the SME business in the country reside, is an absolute necessary step to cope with factors affecting SMEs product output quality and quality management implementation challenges and discrepancies.

2.7 Conceptual Framework

Several past related works have indicated that SMEs growth and performance, and quality management implementation is affected and challenged via several factors. The following conceptual framework is adopted and followed in this research project work and it is shown below in Figure 1. The factors are considered for this study according to Ethiopian and Addis Ababa city context are; quality management awareness and practice, strategic factors, tactical factors, operational factors, financial factors, technology and working place factors, supply-chain and infrastructure factors, government policy factors, and cross-functional product design factors. This conceptual framework can be thought of as the outcome of combining many connected concepts in order to explain or anticipate a certain event, provide a deeper understanding of the phenomenon of interest, and address a research topic.

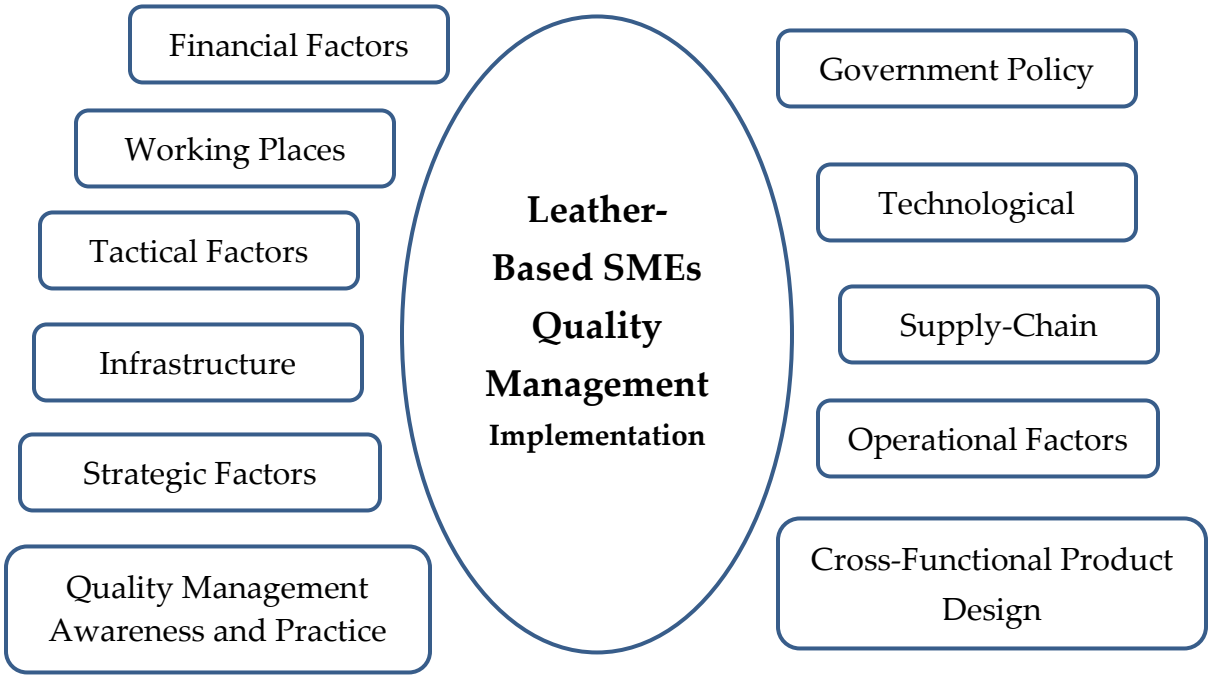

Figure 1: Conceptual framework

Chapter Three

Research Methodology

This section provides a thorough explanation of the methodology employed and the manner in which the research project work was completed in compliance with the goals of the project work study. It provides a thorough explanation of the methods, instruments, sources, procedures, sampling plan, and chosen and implemented data analysis approach.

3.1 Research Design

The aim of this research project study work is to assess correlation between the different factors extracted from past related works affecting quality management implementations in leather-based small and medium-sized business enterprises in the city of Addis Ababa and their level of impacts. As a result, the quantitative research method technique was used for this study, emphasizing the objective and statistical assessment of numerical data. Additionally, a 5-point Linkert scaling approach was used for the methodically created questionnaire intended to collect data.

3.2 Research Approach

This research employed a descriptive research technique to examine and assess the points made and provided in the research question section. It makes use of the quantitative research method, which looks at the relationship between many factors to evaluate objective concepts. In order to extract variables for evaluating the consistency of procedures and processes utilized in obtaining acceptable quality products in fulfilling the requirements of the study activity, it also makes use of quality management implementation issues and challenges.

3.3 Population of the Study

The target population for this research project work encompassed different leather-based SMEs in all the eleven sub-cities located in the city of Addis Ababa.

3.4 Sampling Techniques

For this research project work, purposeful sampling—also referred to as judgmental, selective, or subjective sampling—is utilized as a sampling strategy. It is typically employed when one wants to identify circumstances that are particularly illuminating. As a result, in order to carefully select members of the target group to participate in the sample survey study, the researchers—the adviser and student—rely on their own judgment. This made it easier to concentrate attention on a limited group of informants from various leather-based SMEs in order to quickly gather the necessary information while keeping the best possible viewpoint. The respondents were chosen on the basis of their area of expertise, knowledge, and experience managing quality management implementations in their SMEs in the city of Addis Ababa.

3.5 Source of Data

The research project study work used both primary and secondary data to gather sufficient and pertinent information to address the research questions and achieve the study's goals. Primary data sources including those associated with leather-based SMEs, including owners, staff, and internal documents that might offer insights on the quality management implementation challenges were considered and used. On the other hand, secondary data was acquired from a variety of published sources, such as books, papers, journals, and project reports.

3.6 Data Collection Tools

Based on a methodically designed questionnaire, the research project study work used a quantitative data collection strategy. The survey was designed in both Amharic and English to ensure that there would be no communication difficulties during the data collection procedure. Additionally, the questionnaire was available online and in printed form, which made it easier to use and faster, more accurate, less expensive, quicker to analyze, more honest, and more styleable for both researchers and participants. After that, the survey instruments—questionnaires—were given to the carefully chosen respondents. A secondary source of data was published supplementary works such as theses, papers, journals, research outputs, and books from earlier linked studies.

3.7 Procedure of Data Collection

After the questionnaire was developed following a thorough examination of previous relevant works and literatures, it was given to a sample of respondents in the leather-based SMEs located in Addis Ababa who were carefully chosen to ensure that all the information needed for the planned research project work was recorded.

3.8 Methods of Data Analysis and Presentation

In order to evaluate the data gathered through the questionnaire in respect to the overall goal of the research, the adviser and previous similar works recommended the use of appropriate quantitative data analysis techniques and tools (Relative Importance Index, or RII) and mean value analysis. Initially, a variety of data editing methods were used to create the data, including checking the raw data for errors, omissions, classifications, and aggregation. Finally, Microsoft Excel™ was used to analyze the data that had been gathered.

3.9 Validity and Reliability

The study work's questionnaire was meticulously created to ask similar related questions in several sections. To ensure the data was reliable and the respondents were coherent, general information, internal factors, and external factors affecting quality management implementations of leather-based SMEs were purposefully reviewed more than once. After then, six respondents to a pilot poll provided their responses. The pilot survey's results demonstrated that over 80% of the data was coherent. Furthermore, the questionnaire's reliability is around 90% (Louangrath, 2018) trustworthy due to its design, which takes use of the 5-scale Linkert scale-based data gathering technique.

In order to ensure that all research questions have been answered and the study's objectives have been adequately handled, a well-constructed questionnaire was employed in this investigation. Additionally, the authors checked the data gathered in a few questionnaire sections by outlining the clearly anticipated results and determining whether the responses provided were indicative of validity. Additionally, the NK landscape approach and Monte Carlo simulation used to compute the empirical results of a 5-point Linkert scale survey previously in (Louangrath, 2018), which revealed a result of 0.73. Since this is far higher than the 0.35 threshold for the highly advantageous group, it can be interpreted within a reasonable range.

3.10 Ethical Considerations

In this research project work, the authors followed and adhere to all ethical research protocols throughout the research work lifetime.

3.11 Interpretation and Computation Techniques Used

To assess and understand the main research study data, mean value and Relative Importance Index (RII) computation procedures and rankings are used. The methods used in this investigation are described in depth in the ensuing subsections.

3.11.1 Mean Value Computation

The mean score/value is used to summarize the key characteristics of a series and to compare data. It can be treated algebraically and is utilized in statistical calculations. It's a fairly consistent measure of central tendency. The following formula is used to get the mean score of the responses.

$$Mean = \frac{\sum s}{N}$$

Where;

s is weight given by respondent (1 to 5).

N is the total number of respondents or participators.

The mean value interpretation technique used to analyze the survey data for this research work is as the following. The possible ranges are computed via (5-1 = 4), which corresponds to the maximum (5) and minimum (1) possible values in the Linkert scale. Then these ranges are divided by the maximum value 5, (4/5 = 0.80) yielding the arrays of possible ranges in the Linkert scale. Then, in order to determine the maximum of each cell, this value (0.8), was added in the Linkert scale values. Therefore, the length of the cells is calculated as follows:

- Mean values from 1 to 1.80 represents (Strongly Disagree).
- Mean values from 1.81 until 2.60 represents (Do Not Agree).
- Mean values from 2.61 until 3.40 represents (Neutral, Neither Agree nor Disagree).
- Mean values from 3.41 until 4.20 represents (Agree). And,
- Mean Values from 4.21 until 5.00 represents (Strongly Agree).

3.11.2 Relative Importance Index (RII) Computation

The Relative Importance Index (RII) computation technique used to analyze the survey data for this research work is as the following. The RII is the average of a factor's weight in the respondents' perceptions. It is computed using the following formula.

$$RII = \frac{5 * n_5 + 4 * n_4 + 3 * n_3 + 2 * n_2 + 1 * n_1}{A * N}$$

Where;

n_5 is the number of respondents for strongly agree.

n_4 is the number of respondents for agree.

n_3 is the number of respondents for neutral.

n_2 is the number of respondents for disagree.

n_1 is the number of respondents for strongly disagree.

A is highest weight in the scale, that is 5.

N is the total number of respondents.

Chapter Four

Data Presentation, Analysis and Interpretation

This chapter provides the results, interpretation, analysis, and presentation of the factors influencing and affecting the quality management implementations of leather-based small and medium-sized businesses enterprises located in Addis Ababa city.

4.1 Primary Data Analysis (Major Characteristics of the Study Respondents)

This research study project work thoroughly researched and analyzed nine primary areas of variables and aspects affecting quality management implementations in leather-based small and medium-sized businesses enterprises in the city of Addis Ababa, which were determined from past related research works. The primary determinants influencing leather-based SME's that were examined through the systematic questionnaire created for this purpose are these nine variable domains. Descriptive and explanatory statistics were used to evaluate quantitative primary data that were taken from the questionnaire using Microsoft Excel™.

The researcher adopted a questionnaire for this research work and a total of 80 respondents were recorded for the research work data analysis. The questionnaire was distributed/shared with 95 leather-based SME's employee in the city of Addis Ababa and the response rate was found to be 84.21%.

4.2 General Demographic Information

The general demographic information collected from this research work indicated that 31.25% respondents were females, and males account for the remaining 68.75%. The result is shown in Table 1 given below and this showed that male dominated the survey and it is perfectly in line with the fact that leather-based SME's business in the city is

dominated via males. Hence, it can be concluded that, gender representation in the survey is justly distributed.

Table 1: Summary of general demographic information

Gender Composition.		
Option	**Frequency**	**Percentage**
Male	55	68.75%
Female	25	31.25%
Age Composition.		
20 – 30 years old	18	22.50%
31 – 40 years	37	46.25%
41 – 50 years	16	20.00%
Above 51 years	9	11.25%
Level of Educational/Qualification.		
PhD and above	0	0.00%
Master's Degree	5	6.25%
Bachelor Degree	25	31.25%
Diploma	26	32.50%
Technical and Vocational Education and Training (TVET)	17	21.25%
High School Completed	7	8.75%
Current position in the SME's.		
Manager	8	10.00%
Owner	32	40.00%
Sales person	12	15.00%
Employee	19	23.75%
Accountant	6	7.50%
Quality controller	3	3.75%
Total work experience in leather business enterprises.		
Less than 3 years	6	7.50%
3-5 years	35	43.75%
5-10 years	31	38.75%
11-15 years	5	6.25%
16 and above	3	3.75%

Considering the age composition of responders, 46.25% fall in the age range of 31-40 years, 22.50% under 20-30 years, 20% between 41-50 years and 11.25% fall under the age of above 50 years old. This showed that 68.75% of the responders are in the age range of

20-40 years old. In relation to the level of responder's educational background/qualification level, 32.50% have diploma, 31.25% have bachelor degree, 21.25% have Technical and Vocational Education and Training (TVET), 8.75% have completed high school, and 6.25% have master's degree. Further, it should be noted that none of the responders have PhD and above qualification level.

Considering the role of responders in their leather-based SME's, Table 1 given above shows that 40.00% are owners, 23.75% are employees, 15.00% are sales, 10.00% are managers, 7.50% are accountants, and the remaining 3.75% are quality controllers. Regarding responders' work experience in leather-based business enterprise, 43.75% have held work experience ranging between 3-5 years, 38.75% for 6-10 years range, 7.50% for less than 3 years range, 6.25% from 11-15 years range, and the remaining 3.75% for more than 16 years range.

4.3 Quality Awareness and Practice Assessment

As per the literature reviews carried on past related works quality awareness and practice factors are one of the main factors affecting leather-based SME's quality management practice and implementations. In line with that the following major findings were recorded based on the responses given by respondents who took part on the survey.

Most of responders, 37.50% defined quality as increased competitiveness, followed by appearance or look (16.25%), increased profit (13.75%), and customer satisfaction (10.00%). Furthermore, meeting requirements and specification got (8.75%) vote, must thing to do (6.25%) vote and the following three definitions, expensive, challenge, and luxury, got equal rating of (2.50%) vote.

At the survey conduction time, only 15.00% respondents claimed that to previously took project quality management course or trainings and the remaining 85.00% did not take any before. From those who took the quality related trainings and courses 50.00% for took

it for days, 25.00% for months, 16.67% for weeks, and the remaining 8.33% for years. Hence, it is reasonable to conclude that a sizable portion of SME practitioners in the leather-based industry either never attended a quality management related course or training, or they attended it for a short time—a few months or less—and that this will act as a bottleneck and restricting factor in the development, application, and practice of product quality awareness, management and implementations.

Regarding familiarity with the tools and procedures used in quality management, only 12.50% respondents claimed that they are familiar and 81.25% are not familiar with them. It is also noteworthy to highlight that the fact that the remaining 6.25% of the responders took a no response on the subject matter. And from the responders who are familiar with quality management tools and techniques, 40.00% claim to use them effectively, 30.00% sometimes, 20.00% barely sometimes and the remaining 10.00% claimed to not use them at all. This shows that, although workers are familiar with quality management tools and techniques their consumption and deployment is seriously compromised.

Regarding Quality Management System (QMS), 20.00% of responders claim that there is a Quality Management System (QMS) in place in their SME's, 72.50% claimed to have no idea about that and the remaining 7.50% responders claimed that there is no QMS in place in their SME's. Further, those who claimed there is QMS in place, 50.00% assume it is Total Quality Management (TQM) based, 31.25% check list based, and the rest, 18.75% have no idea about the type of QMS on their SMEs. This shows that there is information gap on the type of QMS deployed in their enterprises and that significant number of responders have no clear idea about it. This can be taken as one of the indicators that that there is a gap in the quality information communication flow in their enterprises.

Finally, majority of responders, 75.00%, retaliated that their enterprise does not provide any quality management inductions and training to its employees, 15.00% don't know anything about that and only 10.00% respondents claim that their enterprise provides

quality management inductions and training to its employees. From those who claimed their enterprise to provide quality management induction and training to it employee, 75% of the respondent claim that these trainings are conducted only once, 12.50% biannually, and the remaining 12.50% claim that they are conducted annually. This data clearly indicates that enterprises attention towards quality management induction and training to it employee is terrible and it creates its own shortcoming in quality awareness creation, practice and implementations.

4.4 Strategic Factors Assessment

The next variable studied under factors affecting QM implementations in leather-based SMEs was strategic factors. A total of 10 questions were formulated to accesses the impact of strategic factors and the following main findings were recorded. The overall recorded and analyzed data are presented in Table 2 given below.

Table 2: Strategic factors analysis

Que. No.	**Impact Level – in Actual Frequency of Occurrences**					Mean Value	S.D.
	[1] Strongly Disagree	[2] Disagree	[3] Neither Agree nor Disagree	[4] Agree	[5] Strongly Agree		
Q#1	22	35	16	6	1	2.1125	0.94
Q#2	17	28	15	15	5	2.5375	1.19
Q#3	15	25	23	14	3	2.5625	1.09
Q#4	18	15	24	22	1	2.6625	1.14
Q#5	17	32	21	8	2	2.325	1.00
Q#6	2	6	4	56	12	3.875	0.84
Q#7	0	2	16	37	25	4.0625	0.78
Q#8	9	12	20	24	15	3.3	1.25
Q#9	24	42	10	2	2	1.95	0.86
Q#10	14	33	15	14	4	2.5125	1.12
				Average Mean		**2.79**	

Based on the results displayed in Table 2 above, majority of responders felt that 6 out of the 10 factors listed and described as potential strategic factors affecting quality management implementations in leather-based SMEs located in Addis Ababa are not in place (disagreed that they are implemented in their SMEs). These 6 factors are; quality policy being/is considered in the enterprise strategic planning (with SD of 0.94), top leadership commitment and support for quality implementation (with SD of 1.19), top management takes action to implement its quality improvement policy (with SD of 1.09), the quality objectives/policies have been started clearly and communicated to all by top management (with SD of 1.00), the enterprise uses the Plan-Do-Check-Act (PDCA) cycle extensively for production process control and improvement (with SD of 0.86), and enterprise's decision on quality improvement is always based on objective data (with SD of 1.12).

Further, majority of responders agreed with 2 out of the 10 factors listed as potential factors affecting leather-based SME's quality management implementations and felt that they are in place. These 2 factors are employees conduct their own quality checks in the workplace (with SD of 0.84), and every employee is committed to satisfy its customers (with SD of 0.78). Moreover, majority of responders took a neutral stance with the 2 of the 10 factors as the main potential factors affecting leather-based SME's quality management implementations. These two factors are top management continues to monitor systems and processes within the enterprise (with SD of 1.14), and the enterprise encourages constantly to learn and improve all its services, production and processes (with SD of 0.78).

These results described above clearly show that most of the potential strategic factors affecting QM implementations are not carefully crafted and implemented in the leather-based SMEs in the city of Addis Ababa. Hence, these strategic factors, excluding

employee's dedication and commitment for quality product output, are critical factors for QM impetrations in leather-based SMEs in Addis Ababa.

4.5 Tactical Factors Assessment

The third variable studied and investigated under factors affecting QM implementations in leather-based SMEs investigated was tactical factors. A total of 6 questions were formulated to accesses the impact of tactical factors and the following main findings were recorded. The overall recorded and analyzed data are presented in Table 3 given below.

Table 3: Tactical factors analysis

Que. No.	**Impact Level – in Actual Frequency of Occurrences**					Mean Value	S.D.
	[1] Strongly Disagree	[2] Disagree	[3] Neither Agree nor Disagree	[4] Agree	[5] Strongly Agree		
Q#1	15	39	13	10	3	2.3375	1.04
Q#2	42	25	5	6	2	1.7625	1.03
Q#3	8	12	30	22	8	3.125	1.10
Q#4	10	12	5	36	17	3.475	1.31
Q#5	9	18	3	38	12	3.325	1.28
Q#6	12	38	8	16	6	2.575	1.18
				Average Mean		**2.77**	

Based on the data extracted from the survey and displayed in Table 3, majority of responders disagreed the existence of 2 factors out of the total 6 tactical factors listed as potential main factors affecting quality management implementation in leather-based SMEs in Addis Ababa. These 2 factors are; employees have quality knowledge and ability (with SD of 1.04), and good communication exists between different functional departments of the enterprise regarding quality (with SD of 1.18). Moreover, majority of responders took a neutral stance with 2 of the 6 tactical factors. These factors are

employees are educated in materials related to their specialization and their daily work and activity (with SD of 1.10), and employees participate actively in quality improvement activities (with SD of 1.28). Further, majority of responders strongly disagreed with the factor that employees receive quality training organized by the enterprise (with SD of 1.03) and agreed with the factor that employees take the initiative for quality improvement (with SD of 1.31).

These results showed that towards QM implementations there is a serious gap in employees receiving quality training organized by their enterprise, employees lack quality knowledge and ability and communication gap exists between different functional departments of the enterprise regarding quality. However, it should be noted that employees do not have problems in taking the initiative for quality improvement. Hence, leather-based SMEs in Addis Ababa city should look in to possible way ways to address quality related training for their employees and should establish a good communication channel regarding quality issues to capitalize their employee's motivation.

4.6 Operational Factors Assessment

The fourth variable investigated on factors affecting QM implementation in leather-based SMEs in Addis Ababa city was operational factors. A total of 9 questions were formulated to accesses the impact of operational factors and the following main findings were recorded. The overall recorded and analyzed data are presented in Table 4 given below.

Table 4: Operational factors analysis

Que. No.	Impact Level – in Actual Frequency of Occurrences					Mean Value	S.D.
	[1] Strongly Disagree	[2] Disagree	[3] Neither Agree nor Disagree	[4] Agree	[5] Strongly Agree		
Q#1	16	36	7	18	3	2.45	1.15
Q#2	14	32	10	19	5	2.6125	1.20
Q#3	18	28	8	22	4	2.575	1.24
Q#4	11	33	21	12	3	2.5375	1.02
Q#5	13	32	18	12	5	2.55	1.12
Q#6	14	38	18	8	2	2.325	0.96
Q#7	21	24	12	15	8	2.5625	1.32
Q#8	12	38	23	5	2	2.3375	0.89
Q#9	15	37	19	5	4	2.325	1.01
				Average Mean		**2.475**	

Based on the data extracted from the survey and displayed in Table 4, majority of responders disagreed with 8 of the 9 potential operational factors implemented in their SMEs affecting quality management implementations. These 8 factors are; the main competencies needed for each job are well identified (with SD of 1.15), the enterprise evaluates the level of customer satisfaction (with SD of 1.24), customer satisfaction survey are conducted and results are routinely handled by enterprise managers (with SD of 1.02), customer-focused strategies and approaches are continually reviewed for further improvement (with SD of 1.12), enterprise has standard and documented operating procedures throughout productions steps (with SD of 0.96), quality data is taken and monitored by employees during daily work (with SD of 1.32), quality tools are effectively used to solve problems (with SD of 0.89), and the process of quality data is recorded and analyzed (with SD of 1.01). Additionally, majority of responders took a neutral stance

with the factor that promotion is based on the need more precisely to reward individuals (with SD of 1.20).

These results show that, leather-based SMEs located in Addis Ababa has some serious operational factors affecting QM implementation and these SMEs should craft a better operation strategy if their QM implementation is deemed to bear fruit.

4.7 Financial Factors Assessment

The fifth variable investigated on factors affecting QM implementation in leather-based SMEs in Addis Ababa city was financial factors. A total of 5 questions were formulated to accesses the impact of financial factors and the following main findings were recorded. The overall recorded and analyzed data are presented in Table 5 given below.

Table 5: Financial factors analysis

Que. No.	**Impact Level – in Actual Frequency of Occurrences**					Mean Value	Average RII	RII Ranking	S.D.
	[1] Strongly Disagree	[2] Disagree	[3] Neither Agree nor Disagree	[4] Agree	[5] Strongly Agree				
Q#1	3	8	11	38	20	3.8	0.76	5	1.04
Q#2	1	7	15	35	22	3.875	0.775	3	0.95
Q#3	1	3	7	27	42	4.325	0.865	1	0.88
Q#4	4	5	8	25	38	4.1	0.82	2	1.12
Q#5	3	8	8	38	23	3.875	0.775	3	1.05
				Average Mean		**3.995**			

Based on the results displayed in Table 5 above, majority of responders agreed with 4 of the 5 total factors listed as potential financial factors affecting QM implementation, and strongly agreed with 1 of the 5 factors. The four financial factors with which majority of the responders agreed are; shortage of working/operation capital (with SD of 1.04), insufficient credit institutions (with SD of 0.95), high interest rate (with SD of 1.12), and

complicated loan application procedures (with SD of 1.05). The one factor with which majority of responders strongly agreed is high collateral requirements (with SD of 0.88).

Further, via deploying Relative Importance Index (RII) concept to determine the relative importance, it was found that; high collateral requirements, followed by high interest rate, insufficient credit institutions, complicated loan application procedures., and finally shortage of working/operation capital was found to be the main factors affecting leather-based SME's QM implementations in city of Addis Ababa.

4.8 Technological and Working Place Factors Assessment

The sixth variable investigated on factors affecting QM implementation in leather-based SMEs in Addis Ababa city was technological and working place factors. A total of 6 questions were formulated to accesses their impact and the following main findings were recorded. The overall recorded and analyzed data are presented in Table 6 given below.

Table 6: Technological and working place factors analysis

Que. No.	**Impact Level – in Actual Frequency of Occurrences**					Mean Value	Average RII	RII Ranking	S.D.
	[1] Strongly Disagree	[2] Disagree	[3] Neither Agree nor Disagree	[4] Agree	[5] Strongly Agree				
Q#1	3	3	14	32	28	3.9875	0.7975	1	1.01
Q#2	15	28	18	16	3	2.55	0.51	6	1.12
Q#3	2	6	15	38	19	3.825	0.765	2	0.96
Q#4	4	9	35	12	20	3.4375	0.6875	5	1.13
Q#5	8	12	10	32	18	3.5	0.7	4	1.26
Q#6	5	8	13	37	17	3.6625	0.7325	3	1.11
				Average Mean		**3.49**			

Based on the data extracted from the survey and displayed in Table 6, majority of responders agreed with 5 of the 6 technological and working place related factors listed

as potential factors and disagreed with one of the factors affecting QM implementations in leather-based SMEs in Addis Ababa. The 5 factors in which majority responders agreed with are; lack of appropriate working machineries, equipment and other technology in the enterprise (with SD of 1.01), absence of own working places (with SD of 0.96), working place is far from the market (with SD of 1.13), working place is narrow and not convenient enough (with SD of 1.26), and very high rent of working places (with SD of 1.11). The remaining one factor in which majority of responders disagreed is lack of skilled employees to handle technology (with SD of 1.12).

Further, via deploying RII, it was found that; lack of appropriate working machineries, equipment and other technology in the enterprise, followed via absence of own working places, very high rent of working places, working place is narrow and not convenient enough, working place is far from the market, and finally lack of skilled employees to handle technology are computed to be ranked respectively in affecting leather-based SME's QM implementation in the city of Addis Ababa. Moreover, it should be noted that the overall mean value of internal management factor was found to be 3.49 implying responders' agreement with these factors.

4.9 Supply-Chain and Infrastructure Factors Assessment

The seventh variable investigated on factors affecting QM implementation in leather-based SMEs located in Addis Ababa city was supply-chain and infrastructure factors. A total of 10 questions were formulated to accesses their impact and the following main findings were recorded. The overall recorded and analyzed data are presented in Table 7 given below.

Table 7: Supply-chain and infrastructure factors analysis

Que. No.	**Impact Level – in Actual Frequency of Occurrences**					Mean Value	S.D.
	[1] Strongly Disagree	[2] Disagree	[3] Neither Agree nor Disagree	[4] Agree	[5] Strongly Agree		
Q#1	2	6	15	35	22	3.8625	0.98
Q#2	1	5	14	42	18	3.8875	0.87
Q#3	24	33	18	3	2	2.075	0.95
Q#4	6	10	20	25	19	3.5125	1.19
Q#5	27	37	8	5	3	2	1.01
Q#6	29	35	8	5	3	1.975	1.02
Q#7	22	39	9	6	4	2.1375	1.06
Q#8	19	23	28	7	3	2.4	1.06
Q#9	19	37	5	11	8	2.4	1.26
Q#10	17	35	8	12	8	2.4875	1.25
				Average Mean		**2.67**	

Based on the results displayed in Table 7 above, majority of responders agreed with 3 of the total 4 infrastructure related factors listed as potential factors affecting their QM implementations and disagreed with one of the remaining factors. The 3 factors with which majority responders agreed with are; poor electricity (with SD of 0.87), poor water supply (with SD of 0.98), and lack of appropriate wastage screening & filtering system (with SD of 1.19). The one infrastructure related factor which majority of responders disagreed with is lack of quick and insufficient transportation services (with SD of 0.95).

Furthermore, based on the results shown in Figure 7 above, majority of responders disagreed with the fact that the right expected supply-chain related factors, totaling 6 in number, affecting QM implementations are put in place in their SMEs. These supply-chain related factors are; quality raw materials are readily available (with SD of 1.01),

enterprise and suppliers are interdependent, and a mutually beneficial relationship exists to enhance the ability of both to create value (with SD of 1.02), enterprise established long-term co-operative relations with suppliers (with SD of 1.06), the enterprise is more interested in developing long-term relationships with suppliers than reducing prices (with SD of 1.06), the enterprise gives feedback on the performance of suppliers' products (with SD of 1.26), and finally the enterprise regularly examines suppliers' technical capability and delivery performance (with SD of 1.25).

The above results clearly show that supply-chain related potential factors are one of the main factors affecting leather-based SMEs located in Addis Ababa, a better strategy needs to be formulated via enterprises if they deem to succeed in their QM implementations. Moreover, from the infrastructure related factors, poor electricity coverage needs to be addressed via the city administration so that leather-based SMEs become competitive both in local and global markets with quality product outputs.

4.10 Government Policy Factors Assessment

The eighth variable investigated on factors affecting QM implementation in leather-based SMEs located in Addis Ababa city was government policy factors. A total of 4 questions were formulated to accesses their impact and the following main findings were recorded. The overall recorded and analyzed data are presented in Table 8 given below.

Table 8: Government policy factors analysis

Que. No.	Impact Level – in Actual Frequency of Occurrences					Mean Value	Average RII	RII Ranking	S.D.
	[1] Strongly Disagree	[2] Disagree	[3] Neither Agree nor Disagree	[4] Agree	[5] Strongly Agree				
Q#1	6	12	8	36	18	3.6	0.72	2	1.20
Q#2	19	37	7	16	1	2.2875	0.4575	4	1.07
Q#3	8	11	17	25	19	3.45	0.69	3	1.26
Q#4	6	7	8	32	27	3.8375	0.7675	1	1.20
				Average Mean		**3.29**			

Based on the data extracted from the survey and displayed in Table 8, majority of responders agreed with 3 of the total 4 government policy related factors listed as potential factors and disagreed with one of the factors affecting QM implementations in leather-based SMEs in Addis Ababa. The 3 factors in which majority responders agreed with are; lack of government support in quality management (with SD of 1.20), high tax rate & other tariffs (with SD of 1.26), and corruption (with SD of 1.20). The remaining one factor in which majority of responders disagreed is unnecessary political and administrative intervention (with SD of 1.07).

Further, via deploying RII, it was found that; corruption, followed via lack of government support in quality management, high tax rate & other tariffs, and finally unnecessary political and administrative intervention are computed to be ranked respectively in affecting leather-based SME's QM implementation in the city of Addis Ababa. Moreover, it should be noted that the overall mean value of internal management factor was found to be 3.29 implying responders' agreement with these factors.

4.11 Cross-Functional Product Design Factors Assessment

The final variable investigated on factors affecting QM implementation in leather-based SMEs located in Addis Ababa city was cross-functional product design factors. A total of 4 questions were formulated to accesses their impact and the following main findings were recorded. The overall recorded and analyzed data are presented in Table 9 given below.

Table 9: Cross-functional product design factors analysis

Que. No.	**Impact Level – in Actual Frequency of Occurrences**					Mean Value	Average RII	RII Ranking	S.D.
	[1] Strongly Disagree	[2] Disagree	[3] Neither Agree nor Disagree	[4] Agree	[5] Strongly Agree				
Q#1	21	27	13	10	9	2.4875	0.4975	3	1.30
Q#2	20	28	14	10	8	2.475	0.495	4	1.26
Q#3	16	32	8	15	9	2.6125	0.5225	1	1.30
Q#4	19	29	10	12	10	2.5625	0.5125	2	1.33
				Average Mean		**2.53**			

Based on the results displayed in Table 9 above, majority of responders felt that 3 out of the 4 factors listed and described as potential cross-functional product design factors affecting quality management implementations in leather-based SMEs located in Addis Ababa are not in place (disagreed that they are implemented in their SMEs). These 3 factors are; customer requirements are thoroughly considered in new product design (with SD of 1.30), various departments participate in new product development (with SD of 1.26), and quality function deployment is used extensively in product design (with SD of 1.33). In addition, majority of responders took a neutral position on the factor that new product designs are thoroughly reviewed before production (with SD of 1.30).

Therefore, the above result showed that leather-based SMEs structure and operation needs to be better enhanced and the concept of cross-functional product design needs to be carefully crafted and implemented if the SMEs final output is deemed to meet quality requirements.

4.12 Overall Assessment Summary

Based on the data extracted via the survey and displayed in this chapter, Chapter Four, regarding quality awareness and practice; the study findings showed that there is a serious knowledge/skill gap in quality management among leather-based SME practitioners and there is also a poor attention towards quality management induction and training to employee in the leather-based SMEs, making it one of the main shortcomings/factors affecting quality awareness creation, practice and implementations.

Regarding strategic factors, the study findings showed that there is also a serious gap in the enterprises policy formulation in which the enterprises fail to consider quality policies in the enterprise strategic planning's, top management commitment limitations in quality management process and enterprise's decision on quality improvement being not based on objective data. Further, regarding tactical factors, the study findings showed that there is a quality knowledge gap, quality training and induction gap and quality related communication shortcomings. With regards to operational factors, the study finding showed that there is a gap in making customer focused strategies and analysis, absence of standard and documented quality related operating procedures throughout productions steps, inexistence of quality related data monitoring and analysis, and lack of quality tools deployment.

Moreover, regarding financial factors, the study findings showed that financial factors are one of the main factors affecting leather-based SMEs QM implementations. From the financial factors the fact that financial institutions require high collateral requirements

was noticed to be the main factor affecting QM implementation. Further, regarding technological and working place factors showed that there are a serious lack of appropriate working machineries, equipment and other technology in the enterprise and most working places are not suitable enough for the leather-based production process impacting QM implementations.

Additionally, the supply-chain and infrastructure factors, the study findings showed that there is a serious gap on quality raw materials availability, absence of long term cooperation with suppliers reinforced through proper feedback on the performance of suppliers' products via examines suppliers' technical capability and delivery performance and the electricity coverage and reliabilities needs to be boosted so that better QM implementations can be realized in leather-based SMEs located in the city of Addis Ababa. Further, in relation to government policy factors, the study findings showed that the need for the governments interventions in addressing lack of government support in quality management, fight corruption and reducing high tax rate & other tariffs in the leather-based SMEs in the city and the country at large. Finally, in relation to cross-functional product design factors, the study findings showed that cross-functional product development in leather-based SMEs in Addis Ababa is poor and needs some serious strategical interventions.

Chapter Five

Summary, Conclusion and Recommendation

This chapter presents the main summary of the findings, conclusions drawn from the study, and recommendations for future leather-based SMEs in terms of factors affecting QM implementations in the city of Addis Ababa.

5.1 Summary of Major Findings

The following main summary of findings are worth mentioning based on the analysis and investigation carried in this research work.

- The study findings showed that most of leather-based small and medium enterprises, 68.75% in Addis Ababa are owned via entrepreneurs in the age range of 20-40 years. This showed that the importance of leather-based SMEs in job creation and income generation for the youths in the city.
- Majority of leather-based SME owners and practitioners in Addis Ababa, 70.00% have diploma and above educational qualifications and only 8.75% high school completion qualification. Furthermore, TVET qualification holders make up 21.25%.
- The study findings showed that there is a serious knowledge/skill gap in quality management among leather-based SME practitioners and there is also a poor attention towards quality management induction and training to employee in SMEs.
- Majority of responders agreed that among the strategic factors affecting QM implementations, the following are the major ones with greater impacts;
    - Quality policy not considered in the enterprise strategic planning,
    - Lack of support and commitment from top management, and

- Quality related decisions not based on objective data. .

- Based on the study results; the main tactical factors affecting QM implementations in leather-based SMEs in Addis Ababa are;
  - There is a serious quality related knowledge gap,
  - Lack or absence of quality training and induction for employee, and
  - Major gap in quality related communications.

- The study showed that among the operational factors affecting leather-based SME QM implementations, there is a serious gap in making customer focused strategies and analysis, absence of standard and documented quality related operating procedures throughout productions steps, inexistence of quality related data monitoring and analysis, and lack of quality management tools deployment.

- From financial related factors, shortage of operational capital, insufficient credit institutions, high collateral requirements, high interest rate, and complicated loan application procedures limited leather-based SMEs QM implementation in Addis Ababa city. Further, among the above mentioned financial related factors, high collateral requirements via financial institutions were found to be the most critical one.

- In regards to technological and working place factors, the study findings showed that lack of appropriate working machineries, equipment and other technology in the enterprises and inappropriate working place are found to be the main factors affecting QM implementations in leather-based SMEs.

- From supply-chain and infrastructure factors, the following main factors are found to critically affect QM implementations in leather-based SMEs in Addis Ababa;
  - There is a serious gap on quality raw materials availability,

- There is absence of long-term cooperation with suppliers reinforced through proper feedback on the performance of suppliers' products via examination of suppliers' technical capability and delivery performance, and
- The electricity coverage and reliability are seriously compromised.

- Among government policy factors, the study findings showed that the need for the governments interventions in addressing lack of government support in quality management implementations, the necessity to fight corruption and the need to consider to reduce high tax rate & other tariffs were found to be the most important factors.
- The study findings showed that there is a serious gap in cross-functional product design and development including lack of quality function deployment in product design, absence of a thoroughly review of new product designs before production, lack of customer requirements considerations in new product design, and inexistence of various departments participating in new product developments are found to be the critical factors.

5.2 Conclusion

Overall, it was observed that the leather-based SMEs in Addis Ababa city play a major role in creating job and source of income for many youths in the city. However, the study findings showed that the sector needs urgent need of governments intervention in policies in reducing tax rates & other tariffs, in availing working places and finances for leather-based SMEs in the city. Furthermore, it was observed that the SMEs in the city are severely affected via poor electricity implying on the need for the electric utility immediate intervention on electricity coverage and consistency thorough out the city.

In addition, the study finding showed that there is a knowledge gap in quality, quality management, and planning implying on the need for human resource capacity building and training in the subject area for SMEs in the city. Furthermore, there is a strong need for machineries & technology and capital for that if leather-based SMEs are deemed to better succeed in the future. For that the government and the public sector should mobilize more resources to realize the SMEs objectives in the city.

5.3 Recommendation

The researcher suggests the following recommendation for improving leather-based SMEs QM implementations in the city of Addis Ababa.

- Government policy intervention is required in polices and availing more capital to the sector.
- Human resource capacity building and trainings should be arranged to further boost SME quality, management and strategic knowledge gaps.
- Better enterprise structuring and quality related trainings needs to be conducted in the leather-based SME sector.
- More finance from the government and public sectors should be availed for the sector.
- Electricity coverage in the SMEs needs to be improved.
- Working spaces for SMEs should be better designed, constructed and availed.
- More studies on the leather-based SMEs in the city in a larger scale should be carried.

5.4 Direction for Future Research

Future similar researches in assessing factors affecting leather-based SMEs QM implementations should be conducted incorporating detailed analysis with larger population size in the sector, covering more cities countrywide, incorporating additional factors from past related works globally which will be valid in Ethiopia's context, and drawing country specific factors from the existing leather-based SMEs in Ethiopia which might be valid only to the reality in Ethiopia.

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Appendix A: Questionnaire

Addis Ababa University
College of Business and Economics
School of Commerce
Department of Project Management
M.A. Research on Project Quality Management

Dear respondent,

The purpose of this questionnaire is to collect data for the study on "Assessment on Factors Affecting Quality Management Implementation Challenges in Small and Medium-Sized Leather Business Enterprises in the City of Addis Ababa" for partial fulfillment of a degree Masters of Art (M.A.) in Project Management.

This questionnaire has 10 parts and will take you around 30 minutes to complete it. And I would like to kindly request you give proper responses for the questions included on this questionnaire. I can assure you that, everything you say will stay anonymous so I hope you will give honest and sincere responses. Your willingness and cooperation will have a great impact on the study underway. I would like to express my heartfelt thanks in advance for taking part in this initiative.

Name: Fikerte Tebebe	Moblie: +251-911706764	Email: fikerteworkeneh@yahoo.com

Please put a tick mark "X" to all your responses next to the box provided beside each statement or question in Part one and two. And use Likert Scale Description: [1] Strongly Disagree; [2] Disagree; [3] Neither Agree nor Disagree; [4] Agree; [5] Strongly Agree for the other Parts.

Part One: General Information

1. How old are you?

20 – 30 years old ☐	31 – 40 years ☐	41 – 50 years ☐	Above 51 years ☐

2. What is your gender?

Male ☐	Female ☐

3. What is the level of your educational background?

PhD and above ☐	Master's degree ☐	Bachelor degree ☐
Diploma ☐	Technical and Vocational Education and Training (TVET) ☐	
High School Completed ☐	Others (please specify): _____	

4. What is your current position in your enterprise?

Manager ☐	Owner ☐	Sales person ☐	Employee ☐
Accountant ☐	Quality controller ☐	Others (please specify): _____	

5. Your total work experience in leather business enterprises.

Less than 3 years ☐	3-5 years ☐	5-10 years ☐	11-15 years ☐	16 and above ☐

Part Two: Quality Management Awareness and Practice

6. Which of these words, in your opinion, best defines product quality? (You are not restricted to one response)

Expensive ☐	Must Thing to Do ☐	Increased Profit ☐	Challenge ☐
Luxury ☐	Appearance or look ☐	Increased Competitiveness ☐	
Customer Satisfaction ☐	Meeting Requirements and Specification ☐		
Others (please specify): _____			

7. Have you ever taken Quality Management Course or Trainings?

Yes ☐	No ☐

If your answer above is 'Yes', for how long?

Days ☐	Weeks ☐	Months ☐	Years ☐
Others (please specify): _____			

8. Are you familiar with the tools and procedures used in quality management?

Yes ☐	No ☐	No response ☐

If your answer above is 'Yes', do you use these tools and procedures effectively?

Yes ☐	No ☐	Sometimes ☐	Barely Sometimes ☐	No response ☐

9. Is there a Quality Management System (QMS) in place at your enterprise?

Yes ☐	No ☐	I don't Know ☐

If your answer above is 'Yes', what type of QMS is used?

ISO ☐	TQM ☐	BIM ☐	No Idea ☐
Others (please specify): _____			

10. Does your enterprise provide quality management inductions and training to its employees?

Yes ☐	No ☐	Not Sure ☐

If your answer above is 'Yes', how frequent is the training?

Once ☐	Every Month ☐	Biannually ☐	Annually ☐
Others (please specify): _____			

Part Three: Strategic Factors

Please indicate the degree to which you agree with the following strategic factor statements regarding your enterprise quality management implementations.

Descriptions	1	2	3	4	5
Quality policy being/is considered in the enterprise strategic planning.					
Top leadership commitment and support for Quality implementation.					
Top management takes action to implement its quality improvement policy.					
Top management continues to monitor systems and processes within the enterprise.					
The quality objectives/policies have been started clearly and communicated to all by top management.					
Employees conduct their own quality checks in the workplace.					
Every employee is committed to satisfy its customers.					
The enterprise encourages constantly to learn and improve all its services, production and processes.					
The enterprise uses the PDCA cycle extensively for production process control and improvement.					
Enterprise's decision on quality improvement is always based on objective data.					

Part Four: Tactical Factors

Please indicate the degree to which you agree with the following tactical factor statements regarding your enterprise quality management implementations.

Descriptions	1	2	3	4	5
Employees have quality knowledge and ability.					
Employees receive quality training organized by the enterprise.					
Employees are educated in materials related to their specialization and their daily work and activity.					
Employees take the initiative for quality improvement.					
Employees participate actively in quality improvement activities.					
Good communication exists between different functional departments of the enterprise regarding quality.					

Part Five: Operational Factors

Please indicate the degree to which you agree with the following operational factor statements regarding your enterprise quality management implementations.

Descriptions	1	2	3	4	5
The main competencies needed for each job are well identified.					
Promotion is based on the need more precisely to reward individuals.					
The enterprise evaluates the level of customer satisfaction.					
Customer satisfaction survey are conducted and results are routinely handled by enterprise managers.					
Customer-focused strategies and approaches are continually reviewed for further improvement.					
Enterprise has standard and documented operating procedures throughout productions steps.					
Quality data is taken and monitored by employees during daily work.					
Quality tools are effectively used to solve problems.					
The process of quality data is recorded and analyzed.					

Part Six: Financial Factors

Please indicate the degree to which you agree with the following financial factor statements regarding your enterprise quality management implementations.

Descriptions	1	2	3	4	5
Shortage of working/operation capital.					
Insufficient credit institutions.					
High collateral requirements.					
High interest rate.					
Complicated loan application procedures.					

Part Seven: Technological and Working Place Factors

Please indicate the degree to which you agree with the following technological and work place factor statements regarding your enterprise quality management implementations.

Descriptions	1	2	3	4	5
Lack of appropriate working machineries, equipment and other technology in the enterprise.					
Lack of skilled employees to handle technology.					
Absence of own working places.					
Working place is far from the market.					
Working place is narrow and not convenient enough.					
Very high rent of working places.					

Part Eight: Supply-Chain and Infrastructure Factors

Please indicate the degree to which you agree with the following supply-chain and infrastructure factor statements regarding your enterprise quality management implementations.

Descriptions	1	2	3	4	5
Poor water supply.					
Poor Electricity.					
Lack of quick and insufficient transportation services.					
Lack of appropriate wastage screening & filtering system.					
Quality raw materials are readily available.					
Enterprise and suppliers are interdependent, and a mutually beneficial relationship exists to enhance the ability of both to create value.					
Enterprise established long-term co-operative relations with suppliers.					
The enterprise is more interested in developing long-term relationships with suppliers than reducing prices.					
The enterprise gives feedback on the performance of suppliers' products.					
The enterprise regularly examines suppliers' technical capability and delivery performance.					

Part Nine: Government Policy Factors

Please indicate the degree to which you agree with the following government policy factor statements regarding your enterprise quality management implementations.

Descriptions	1	2	3	4	5
Lack of government support in quality management.					
Unnecessary political and administrative intervention.					
High tax rate & other tariffs.					
Corruption.					

Part Ten: Cross-Functional Product Design

Please indicate the degree to which you agree with the following cross-functional product design factor statements regarding your enterprise quality management implementations.

Descriptions	1	2	3	4	5
Customer requirements are thoroughly considered in new product design.					
Various departments participate in new product development.					
New product designs are thoroughly reviewed before production.					
Quality function deployment is used extensively in product design.					

Additional Comments (if you have any)

_____

_____

_____

_____.