



ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND CONOMICS
MASTERS OF BUSINESS ADMINISTRATION (MBA) PROGRAM

**FACTORS AFFECTING BUSINESS TRANSFORMATION PROCESSES OF
GOVERNMENT SUPPORTED SMALL AND MEDIUM MANUFACTURING
ENTERPRISES: IN THE CASE OF ADDIS ABABA CITY ADMINISTRATION.**

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DECLARATION

I, the undersigned, declare that this study entitled "Factors Affecting Business Transformation Processes of Government Supported Small and Medium-sized Manufacturing Enterprises: In the case of Addis Ababa City Administration." is the outcome of my effort and study. This type of study has not been presented for a degree in any other college. This theme is to be asked to the College of business and economics affairs at Addis Ababa College in constituent accomplishment with the desire for the degree of master of business administration in management. All sources of materials used for the research have been acknowledged, cited, and referenced.

Name of Student

Signature

Date

.....

.....

.....

LETTER OF CERTIFICATION

This letter of certification is to authenticate that Ghidena Hailelassie has carried out his study under my close supervision on the title of "Factors Affecting Business Transformation Processes of Government Supported Small and Medium-sized Manufacturing Enterprises: In the case of Addis Ababa City Administration". This work is original and suitable for Submission in partial achievement of the demand for the accord of Master's degree of Business Administration in Management.

Asres Abitie (PhD)

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Date

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS

POST GRADUATE PROGRAM OF BUSINESS ADMINISTRATION

This master degree of business administration in management is to certify that research entitled "Factors Affecting Business Transformation Processes of Government Supported Small and Medium-Sized Manufacturing Enterprises: Within the Case of Addis Ababa City Administration". This proposition is to have capitulated to the College of business and economics matters at Addis Ababa College in fragmentary fulfilments of the prerequisite for the degree of master of business administration in management. The thesis done by Ghidena Hailelassie is an authentic study carried by his effort under our guidance.

Accredited by Board of Examiners

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ABSTRACT

The intention of the study was to investigate cause and effect relationship of selected factors on business transformation processes of government-supported manufacturing SMEs: In the case of Addis Ababa city administration. Business transformation process of manufacturing SMEs is explained by factors of management, technology, finance, training and government support. An explanatory method within the quantitative approach and probability research design was applied. The study employed cluster, stratified and systematic random sampling techniques to take the sample populations. Before being distributed, the questionnaire has checked with Cronbach's alpha coefficient .932 which confirmed an excellent level of reliability. Out of the total 395 distributed 370 papers (93.7%) returned without missing. After the data collected and suitably presented, the descriptive statistics analysis method was employed using SPSS tool. Then, the Pearson Correlation analysis result has shown that there were statistically substantial positive relationships between the independent and the dependent factors. Technology has comparatively the highest significant and government support the lowest correlation coefficient. Similarly, coefficients of the remaining 3 factors have shown significant positive correlation. According to the assumptions of multilinear regression model analysis result, 71.3% of the variety within the dependent variable is explained by the independent factors. To be successful, entrepreneurs should primarily fix their business constraints and design business strategy. They also need to emphasis on the independent factors and incorporate with the operating model accordingly. Further, giving due attention to the vital process milestones within the process is a critical issue. Likewise, support providers need to make a paradigm shift from existed traditional style to the success path of jointly planning and implementing process.

Keywords: *Business transformation, Process, small-scale enterprises, medium scale enterprises, Management, Technology, Finance, Training and Government Support.*

ACRONYMY AND ABBREVIATION

AACA: Addis Ababa City Administration

GDP: Gross Domestic Product

ILO: International Labor Organization

IMF: International Monetary Fund

MSEs: Micro and Small Enterprises

OECD: Organization for Economic Cooperation and Development

SMMEs: Small and Medium Manufacturing Enterprises

BTSMMEs: business transformation of small and medium manufacturing enterprises

BTPSMMEs: business transformation process of small and medium enterprises

WB: World Bank

WTO: World Trade Organization

SPSS: Software Package of Social Science

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Small and medium-sized enterprises play an imperative role in building the world's economy. In the different parts of the world, SMEs have been serving as a source of income generation, mechanisms to reduce unemployment, and encouraging innovation. Throughout the world, it is recognized that medium-scale and small undertakings play a vital part in socio-economic advancement as making viable employment and incomes (Addis, 2019). Small ventures play a critical role in the advancement of a nation and serve as a means to sustain and develop economies (Gemechu & Teklemariam, 2016).

Essentially, small and medium-sized undertakings have been experienced with change, requiring them to be more centered on taking a peal proficiency to be found more feasible. That had implied that small and medium-sized fabricating undertakings are needed to discover distinctive trade procedures and approaches to meet this worldwide change. Using management accounting methods in SMEs businesses can frequently help them found to be more feasible and meet the demands of global change (Msomi, Ngibe & Nyide, 2019).

Moreover, manufacturing SMEs are the driving energy behind the worldwide industry. The United Kingdom and the United States of America, for example, have acknowledged that small and medium-sized businesses are responsible for their economies' growth. In Sub-Saharan Africa, small and medium ventures cover over 95 per cent of all business companies (Wangar, 2017). Compatibility, small and medium-sized enterprises are commonly in the service sector of various economies, in which most countries account for two-thirds of employment levels. In Kenya, the small and medium-sized portion accounts for 18 per cent of GDP and 80 per cent of the workforce (Wangar, 2017). However, small and medium-sized firms confront numerous hurdles that obstruct their growth (Meseret, 2018).

Even though the previously mentioned difficulties are roadblocks to improving small and medium, a business change could be a critical executive management project that aims to integrate an employee's staffing, process, and technology initiatives with its trade technique and vision. To be successful, business transformation management is much necessary (Swapna & Raja, 2012).

The business transformation process of enterprise is basically the strategy of advanced moving the systems, process, administration, and innovation over an entire trade unit to realize the significant change in viability, productivity, and partner fulfilment. Moreover, Integration, process, technology, and administration are all important factors to realize business change to pick up showcase share, boost income, and make advancements in client

fulfilment or lower operational costs. This broader perspective enables businesses to frame and practice the value outlined in their business transformation goals (Veyrat, 2016).

On the other hand, enterprise businesses transformation process had depicted as a principal change inside the characterized undertakings, that's a reaction to fundamental demand in the economic, market, or social environment, a fundamental alteration of context, and a step-change in achievement. Currently, the conception of customer value is changing dramatically in a variety of industries. Thus, through-life management is the industry's delivery of customer solutions, and it reflects a change away from a product-centered value delivery model to individual customer based services (Purchase et al., 2011). The significant shift in the economic and commercial settings that trigger enterprise business transformation resulted from "experienced or predicted value gaps" that demand fundamental reforms to be corrected. Changes in this category could include, for example, legislative or regulatory changes that affect market competitiveness or market trends. Such dramatic shift within the environment cannot be dealt with inside the existing worldview, and business schedules requiring a move is the taken-for-granted presumptions and the ways of doing things around. They also point out that some enterprises' modified change is not always sufficient and propose that a more fundamental shift is needed to address the challenges faced (Purchase et al., 2011).

The study had shown that factors affecting those enterprises in general divide into two broad categories, economic and social. Economic factors such as market competition; shortage of entrance to the market, lack of capital or finance, lack of business knowledge; lack of quality production, and lack of business training. While, the social factors include lack of social acceptability, having limited contacts outside or network affiliation type; society looks down upon, an attitude of other employees, and relations with the workforce (Zelalem, 2019).

The challenges why entrepreneurs' facing consequently is that most small and medium enterprises are semi-illiterate which creates a negative impact on enterprise development. As a result, their entrepreneurship is slow and mostly collapsed (Zelalem, 2019). In addition, environmental, social, economic, political, and legal along with individual attitudes, training, and technical know-how are all the constraints that are challenging the success of Ethiopian small and medium-sized enterprises (Meseret, 2018).

The Ethiopian government has also previously given due special attention to small and medium-sized enterprises sector development. Generally, in the federal democratic republic government of Ethiopia GTP1 (2011) recognized the role of SMEs on job creation, entrepreneur skill and industrial development, emphasis had been given focus to identify their challenges and design strategies to solve and expand manufacturing enterprise to develop

industrial economy. Further, to enable SMEs rapid, sustainable growth and lay the foundation for industry development, focus has been given on the expansion of enterprises to create substantial developmental investors which has been acknowledged by the federal democratic republic government of Ethiopia GTPII (2016).

Therefore, the profound contribution of the small and medium manufacturing enterprises in the general execution of the economy is a crucial motive for the researcher to investigate and examine the factors that affect this sector. Despite the acknowledgement of the support and funding of the government towards the advancement of small and medium-sized manufacturing enterprise in Addis Ababa city, yet, many factors are hindering the business transformation process of those enterprises.

1.2. Statement of the Problem

Small and medium-sized manufacturing enterprises are recognized widely for their contribution to the political, social as well as economic development of nations. Their critical role is utmost in affordability of goods and services, employment, and income for a certain number of persons. The European Commission considers those business enterprises as a key driver of socio-economic development as well as Asian countries accepted as a skeleton of their economy (Matt & Rauch, 2020). The adequacy for the productivity of small and medium enterprises management systems also largely depends on the timely identified problems, the formation of a decision-making mechanism and the management system itself. Ahmed and Sun (2012) argued that manufacturing production is a central function, the profit and growth of companies depend on the excellence of production function along with the quality of decision making. Kurochkina et al. (2019) demonstrated that among the issues that influence the enterprises' execution is that the business enterprise is fundamental to the era of innovation, the circumstance, the scope of the exchange, and the decision-making framework. On the contrary, small and medium-sized manufacturing enterprise are influenced by natural variables such as the need for entrepreneurial information, business skills, level of education, skill training, technology, competition, and knowledge and capacity to adjust to the administration of management accounting practitioner, which had been prohibited them from acquiring government and private funding to improve their entity's economic life (Msomi et al., 2019). In addition, a study managed by the South African small enterprise advancement agency (2013) uncovered that sixty per cent of all newly recognized small businesses in South Africa come up short inside their business to begin within a year of operation. As a result, small and medium-sized ventures are considered in the upcoming short in many areas of specializations (Ndege, 2015).

Research conducted in Kenya by Wangar (2017) described that the individual physiognomies of business entrepreneurs in small and medium enterprises affect the performance of their businesses. It demonstrates that the need for claim trade working premises, solid competition, budgetary get to, acceptability, get to training and preparing, and get to technology and innovation were the key economic components that impact the performance of the businesses owned by entrepreneurs in Kenyan small and medium-sized enterprises.

The study conducted by Addis (2019) shown that among affecting elements such as financial access, government backing, access to business information service, technology, and infrastructure are the primary factors that affect the performance of the small and medium manufacturing enterprise found in Wolita Sodo' town. A similar study Conducted by Meseret (2018) found that high levels of competition, a shortage of access to funding, and a shortage of knowledge and competence are all key concerns affecting small and medium-sized enterprises. Aside from a shortage of market access, there is also a lack of necessary support from relevant institutions, particularly at various levels of supporting head and brunch offices for small and medium enterprises, managerial and technical skills, and enough space to accommodate the inconvenient, all of which contribute to fluctuating customer arrivals.

A national survey conducted by the Ethiopian welfare monitoring unit (2002) portrayed that entrepreneurs found in Ethiopia are not given satisfactory policy-related and vital back from the national government. The dynamic advancement of small and medium enterprises ought to be one of the foremost critically needed procedures enabling business entrepreneurs, tending to reduce unemployment and destitution (poverty) in Ethiopia. Even though business enterprises essentially contribute to the national economy in terms of work creation, abilities of advancement, and the mitigation of destitution, small enterprises worked by business people are not being given with satisfactory key back in terms of approach, get to fund, abilities of improvement, training in expansion administrative preparation and innovative change (Eshetu & Worku, 2008).

According to a study conducted by Zelalem (2019) financial support, self-fulfillment, knowledge, skills, and experience are all highly affected by entrepreneurs' performance on factors impacting entrepreneurs' data from an emerging economy. Further, motivational and other achievement issues of businesspeople that evidenced from the developing countries, identified that need of thought processes concerned with the sustainable enterprise development, in the long run, affects entrepreneurs in micro and small enterprises. Additionally, he revealed that level of education, administrative and regulatory framework, business assistance and support, and barriers to access technology are crucial factors that affect entrepreneurial and enterprise success in Ethiopia.

The study by Zinash (2014) shows that often SMEs considers the driving constraints of economic growth, job creation, and poverty reduction in developing countries. Although the positive effect of SMEs on development is acknowledged, entrepreneurs face constraints that limit their development. In support of this, in Addis Ababa, the causes that affect business development are financial access, insufficient training opportunities, lack of business planning and leadership skills, and the correct acquisition of technology impacts the transformation of enterprises. As Mariamawit (2017) uncovers that the enterprise attempt to exchange expertise and information between specialists and business people isn't sufficient, which makes clients proceed to depend on counsel and counselling procedures. In addition, there is a lack of experience, a variation in professional consulting quality and reliability. The development of those enterprises depend on the strength given due attention of partners, and also they contribute according to their advancement. Though SMEs socio-economic role is globally acknowledged that they face into tremendous suffering restrictions which let them disappears. This phenomenon is typically seen in emerging and developing economies like African countries. A study managed by the South African enterprise advancement agency (2013) uncovered that sixty per cent of all newly registered businesses enterprises in South Africa come up short inside their business to begin within a year of operation. As a result, small and medium-sized enterprises are considered in the upcoming short in many areas of specializations in the South African small enterprise development office (Ndege, 2015).

The reason is that most of those managers/advisors of the enterprise has lack of qualifications in the area which led to ineffectiveness in disseminating much-needed information to small and medium-sized enterprises. As stated in the citations of the above study, their focuses are on the factors that affect small and medium-sized enterprises in different perspectives and fields, not focused on effective process. Therefore, using relevant research approaches and methods has great significance to study factors that influence the business transformation process of government-supported small and medium-sized enterprises. The researcher selected this topic based on the importance of small and medium-sized enterprises in creating jobs, reducing poverty, and supporting the development of enterprises. The Addis Ababa city administration has also identified this problem so that a great deal of effort has been offered to improve over the last years. However, the performance of business transformation of manufacturing SMEs has not been satisfied, and so that debates are continuing. Hence, many companies are still deeply involved and overspending on high public costs. In the final analysis, the symptoms have been treated rather than the root cause. There are still disagreements within the members which may let them die within 1-2 years. Some of the enterprise members either resist, do not accept a promotion from one stage to the next, or are

not so eager to improve in such away. To the researchers' knowledge, the Addis Ababa city government has been trying to map the restrictions and change the rate of successful transformation. However, it is supposed that the practitioners and researchers did not still make sufficient efforts in detailed scientific researches in the area. Because of the lack of deep investigations, fundamental issues have not been tracked and scientifically approved. As a result, these limitations lead them to fail to design quality plans of business transformation and implementation procedures. Therefore, looking at management aspects in designing an adequate mission for what value to deliver and how to operate it to support strategy, in making insights for wise and timely analytical decisions, and integrating policy to clarify the roles and rights of employee decision-making. Likewise, technical aspects of settling good work process for the set of integrated and efficient activities designed, acquiring appropriate technology comprising soft and hardware, and tools needed to support and talent of people in capabilities, skills, talent infrastructure and workforce are critical elements in planning (Swapna & Raja, 2012).

Generally, studies conducted on small and medium enterprises considering entrepreneurs in terms of business-related components that influence the performance of micro and small enterprises in Addis Ababa, Ethiopia. However, there haven't been much studies conducted on the title of factors affecting the business transformation processes of government-supported small and medium manufacturing enterprises in the Addis Ababa city administration. Because some of the reviewed thesis were as follows:

Table 1.2. Previous researcher selected factors

Thesis by	Study title	Selected factors	Methods used	Study place
Addis (2019)	An exploration of quality management practices in the manufacturing industry	TQM	Quantitative Descriptive and factor analysis	Ethiopia
Meseret (2018)	Factors Affecting the performance of Small-Scale Enterprise	high level competition, lack of (utilities, finance, technical and managerial skill, raw materials	Quantitative method descriptive analysis	Raya Azebo, Tigray

Eshetu & Werku (2008)	Women Entrepreneurship in Micro, Small and Medium Enterprises:	finance, managerial skills, education, technical skills, ability to save & invest	Kaplan-Meier curves and the Cox proportional	Ethiopia
Zelalem (2019)	factors that affect the performance of women entrepreneurs	Family & entrepreneurship r/s, P/motivation, social network and infrastructures	Quantitative and descriptive and statistical analysis	Akaki, Addis Ababa
Zinash (2014)	Factors that affect the performance of women entrepreneurs.	leadership and governance competence	Quantitative and descriptive & statistical analysis	Addis Ababa
Mariamawit (2017)	The role of gov't Support Services for the performance of manufacturing SMEs	Gov't support components	Qualitative analysis & quantitative descriptive analysis	Addis Ababa

Therefore, this study is supposed to fill the gap by "examining factors affecting the business transformation processes of government-supported small and medium manufacturing enterprises: In the case of the Addis Ababa city administration" differed as seen in the table above.

1.3. General question

How the independent factors affect the business transformation process of government supported manufacturing SMEs in Addis Ababa city administration?

1.4 Research Questions

- How does executive management influence on the business transformation process of government supported manufacturing SMEs in Addis Ababa city administration?
- To what level is the impact of technology on the business transformation process of government supported manufacturing SMEs in Addis Ababa city administration?
- What is the effect of finance on the business transformation process of government supported manufacturing SMEs in Addis Ababa city administration?

- What is the impact of training on the business transformation process of government supported manufacturing SMEs in Addis Ababa city administration?
- To what extent does government support influence the business transformation process of government supported manufacturing SMEs in Addis Ababa city administration?

1.5. Objectives of the Study

1.4.1 General Objective

The main objective of this study is to examine factors that influence the business transformation processes of government-supported small and medium manufacturing enterprises in the Addis Ababa City Administration.

1.4.2 Specific Objectives

This study addressed the following specific objectives:

- To examine the effect of executive management on the business process of government supported manufacturing SMEs in Addis Ababa city administration.
- To look at the impact of technology on the business transformation process of government supported manufacturing SMEs in Addis Ababa city administration
- To investigate the effect of government support on the business transformation processes of government supported manufacturing SMEs in Addis Ababa city administration
- To ascertain the effect of training for business transformation of government-supported manufacturing SMEs in Addis Ababa city administration.
- To compare the effect of finance on the trade change handle or business transformation process of manufacturing SMEs in Addis Ababa city administration

1.5. Significance of the Study

This study can have the following main significances. The study will be an input for governmental and non-governmental institutions decision-making to support for small and medium manufacturing enterprises. The study will also be pertinent input for those who currently exist in this sector and those who think to be participants in the business of small and medium-sized manufacturing enterprises in the future. Moreover, the study can help as a reference for further similar studies which will be conducted on factors that affect business transformation processes of manufacturing SMEs.

1.6. Limitation of the Study

The study considered internal and external factors and investigated through descriptive, Pearson's correlation and assumptions of multilinear regression. In the person's correlation analysis technology scored 1st and government support scored 5th and in the assumptions of

multiple linear regression analysis executive management scored 1st and government support scored 5th. Then, the rank inconsistency is observed as the 1st ranked technology in person's correlation is changed in assumptions of multilinear regression by executive management which need to be further investigating.

1.7. Scope of the study

Even though many sector issues in the Addis Ababa city administration needed to be studied, it could not be easy to perform this properly. This would be complex to address those various issues or concepts at the same time of less than the year 2021. The reasons for this complexity resulted from the unavailability of needed resources and coverage for this study. Therefore, this study is restricted to only factors affecting the business transformation processes of government-supported manufacturing small and medium manufacturing enterprises in Addis Ababa. The researcher believes that focusing on a specific theme and area fosters accuracy and better quality of data collection work, and considering the accessibility of relevant data and information from the study area.

1.8. Operational Definition of the Terms

Business Transformation: business transformations are bold, seismic shifts that business enterprises make to accelerate change and growth beyond modified advancements (Swapna & Raja, 2012).

Process: a process is well-defined and efficiently designed arrangements to reach the desired outcomes of the enterprises (Swapna & Raja, 2012).

Small enterprises: are small businesses ventures with total capital of 20,000 to 500,000 ETB and don't incorporate with progressed technology and highly professional consultancy (Dagnachew, 2019).

Medium Enterprise: are business enterprises found in a sector that benefit segments of the Ethiopian economy actors with an add up to speculation between Birr, 500,000 to 1 million ETB, and counting those enterprises that have high professional consultancy and with the exclusion of other high-tech foundations (Sileshi et al., 2012).

Enterprise: an economic entity engaged in the production of goods and delivery of services (Mariamawit, 2017).

1.9. Structure of the Thesis

The structure of this thesis has five chapters. The first chapter dealt with background, statement of the problem, objectives, significance, delimitation, operational definitions of the terms of the study, and structure of the proposition. The second chapter managed to review the kinds of works of literature that are related to this study. The third chapter focused on

study methodologies such as study setting, research design, research approach, sources of data, sampling technique, and method of data collecting and analysis. The fourth chapter dealt with the presentation, analysis, and interpretation of the finding. Finally, chapter five presented the conclusion and suggestions based on the findings of the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This section presents a review of the related literature products conducted by different scholars, researchers, and practitioners on factors that affect the business transformation processes of government supported small and medium-sized manufacturing enterprises. In this context, the study focused on the themes of government supported manufacturing small and medium-sized enterprises. Theoretical and empirical review, and conceptual frameworks mainly reviewed and cited as an inputs in the latter parts of this chapter.

2.1. Conceptualization of Small and Medium Enterprises

Generally, no globally acknowledged definition of small and medium-sized enterprises since each business framework found in each nation has its classifications agreeing with their technical control. The divisions of small and medium-sized enterprises depend on subjective judgment such as the number of paid-up employees, a measure of the enterprise size, and a sum of capital utilized (Dagnachew, 2019).

The International Labor Organization (ILO, 2000) affirms no universally recognized definitions of small and medium-sized enterprises. Small and medium-sized enterprises assumed that they are the most effective apparatus for economic and social happiness. They are also a means to increase training, technical and business management skills raise local people. In addition, they allow the new generation of creators and serve as a source of innovation of new business ideas. Concurring with the European Union, companies with less than 500 employees are considered SMEs (Eltahir, 2018). Small and medium-sized enterprises have classified according to permanently hired workers who do not exceed 200, and an annual income of 2 million pounds or £ 2 million. The meaning of small and medium-sized enterprises are also different from nation to nation of people. For example, in the United States, small and medium-sized enterprises are generally independent companies, including less than 500 employees, but more classified according to the criteria of the nature of business industry sector standards focused on employment, size of the enterprise, sales and annual turnover for government programs, such as project contracting and subcontracting. The concept of small and medium business enterprises depends on the purpose of economic activity, the level of economic development, and economic development planning. The definitions of small and medium enterprises include businesses with under 250 employees.

In Japan, small and medium-sized enterprises generally employ 4 to 299 employees (Eltahir, 2018). Japan classifies small and medium-sized enterprises as manufacturing companies with total capital that does not exceed ¥ 100 million with 300 employees. In all the sales trade, the classification does not exceed 30 million ¥, and the number of employees has not exceeded

100. All retail sales and service producers of business endeavors with a capital of not more than 10 million and with employees not more than 50 are classified under small and medium-sized enterprises (Dagnachew, 2019).

Further, small and medium-sized enterprises define by various elements, including the number of employees, sales amounts, or size and age. However, the limit of the measurement amounts varies from country to country and organization to organization. For example, the European Commission classifies 250 people and small and medium-sized companies to a total of € 50 million annual sales and a balance of € 43 million. As of 2012, in the European Union, 67.0% of employment (Eurostat, 2015) while a total amount of 99.8% of companies relies on the limits of small and medium enterprises defined. In Sudan, small and medium-sized enterprise defines by the size of employees in the business organization. So, enterprises with fewer than 10 employees are small enterprises (Eltahir, 2018).

The above findings have indicated that the industrial and manufacturing regulation of different treatment and categorization of small and medium enterprises is in various countries in different ways.

In particular, the Ethiopia ministry of trade and industry defines small and medium-sized enterprises. Therefore, the Ethiopian small and medium enterprises are categorized as follows:

Medium-sized enterprise: those business entities include firms that hired more than 30 people, the total capital of 501,000 to 750,000 ETB for service and 751.00 to 1.5million ETB for an industry with high-professional consultants (Dagnachew, 2019).

Small-sized enterprises: business entities that hired up to 30 people, total capital 50,001 to 500,000 ETB for service, and 101.000 to 750,000 ETB for the industrial sector do not include advanced technology and high technical consultancy (Dagnachew, 2019).

Small-sized enterprise: those enterprises hired 6 up to 30 employees or total asset amount birr 100,000 -1.5 million birr for industry sector and 50,000-500,000 for the services sector. In the Ethiopian economy, medium-sized enterprises in the fabricating and service sector within the Ethiopian economy with total assets of more than 1.5 million ETB for industry and total assets of ETB 500.000 respectively (Sileshi, 2012).

In general, the research considers the small and medium enterprises sector as a driver and source of innovation and new product development. Given the sheer amount of small and medium enterprises, they represent an essential component of national and regional economic development and international competitiveness. However, only a few small and medium enterprises are accountable for innovative product development and wealth creation (Kutscha et al., 2016).

In contrast with their social and economic importance, if small and medium enterprises compared to large companies have to cope with several restrictions regarding tangible and intangible resources. These comprise the limitations of leadership and technical skills as well as access to finance. Consequently, small and medium-sized enterprises have limited access to human capital skills and knowledge. As a result, in-house research and development activities had often been restricted by resource limitations. Also, small and medium-sized enterprises can invest significantly less amount in training events for their employees, even though such events have great value in adapting organizational and technological innovation. Small and medium-sized enterprises also face significant challenges when implementing organizational ambidexterity, as the top management team has to carry out both, exploitative (operational) and explorative (strategic) tasks. Therefore, small and medium enterprises' strategies tend to be traditional and informal rather than formal (Kutscha et al., 2016).

2.2. Business Transformation Process

The small and medium-sized enterprises business transformation process empowers the business organization to closely evaluate where effort is being gone, and what reward has gotten in return (Uhl & Gollenia, 2016). Very regularly, the business change business transformation of a business enterprise is one of the promotion patterns that make the rounds. It can be characterized as a much broader and comprehensive idea of how to see a business transformation process or form. They are shrewd forms that ought to coordinate the business transformation process of trade (Veyrat, 2016). Another basic concept of business is the process which is well-defined and efficiently designed arrangements to reach the desired outcomes (Swapna & Raja, 2012).

Business transformation is an umbrella term for making principal changes in how a business trade or organization runs to attain the victory of the project. This includes personnel, processes, and technology. Transforming these all help business organizations to compete more feasibly and more efficiently, or to make a wholesale to be strategic is pivotal. Business transformation is strong, seismic shifts that business organization makes to quicken alter and development exceeded the normal ordinary incremental headways (Swapna & Raja, 2012).

Each business transformation is unique or one of a kind but does have a bland perspective that comparative with most changes. There are moreover particular perspectives, for the most part, related to the space of the change, researchers have distinguished four sorts of business trade changes, and each one activates by a diverse beginning point. First, the integration/separation can be applied or addressed when a company merges with another company or is separated from another company, triggering implications for the company and its employees (Xavery, 2013). Second, a finance transformation involves substantial changes

in the structure of the financial processes, starting at the source through to the evaluation and accounting reporting, the organization, and the systems within the enterprise. The fundamental restructuring of finance processes can impact all business units supplying information, and thus far beyond just the finance department. Third, the information technology-enabled business transformation process activates by major speculations in innovation. As a rule, the technology-driven business transformation process impacts diverse trade business forms and hence goes far beyond the data innovation department office. Fourth, cultural change is likely the hardest portion to realize trade business change. As organizational cultures tend to advance naturally over a long period, social change may take much longer than any other sort of change. A social change ordinarily requires workers to embed new behaviors and a better approach to working (Xavery, 2013). Depending on the previously mentioned themes, it is clear that every type of transformation is very different from each other practically. All the forms of business transformation process types are included in a generic context in which corresponding dimensions are affected by the business transformation.

According to Uhl and Gollenia (2016) description, there are four phases in the business transformation lifecycle such as: first, envision which is creating a new circumstance for change as a sense of urgency, strategy/vision: second, the engagement that is empowering of people to act on the plan vision in their effort: third, transforming is a change of behavior in a given process, technology, culture, and values: fourth, optimization is an internalize, institutionalize and optimize it.

On the other hand, business transformation encompasses radical change of a trade that brought a certain degree of stress which help to cope up. The business transformation process treatment techniques can be feasible in various ways that range from resolving problems to seeking support anger to work harder. Emotional pressure can also lead to engaging with high-level thinking approaches such as strategizing, changing priorities, and avoidance of being deployed. In light of this, there is a challenge to gauge or measure the optimum mix of reward, recognition, and penalty such that stress levels improve performance and motivation for employees in the enterprises (Sharma, 2015).

Business transformation requires that employees need to have energetic engagement in achieving the desired results. Their internal and external forces need to be directed in such a way that the employees choose a course of action and engage in certain behaviors that lead to the achievement of goals (Sharma, 2015). Entrepreneur's choice of self-employment may reflect the confined structure of openings within the labor showcase, labor advertises segregation, or glass ceiling career issues. Self-employment regularly seen as a survival

methodology, or as an implication of giving adaptability in work planning and accommodating different parts (Getamesay, 2017). Business transformation has challenges which need due attention for success of process. Focus on training what benefit to people and business to reduce resistance, recognize previous team change initiative success by detecting customer future needs, study new competitor to reduce fatigue, put advisory board, outside market expert (to set mandates, define milestones and make fund decision) to ease difficulty of funding, communicate a winning long-term strategy incentives to drive team work behavior improvement in line with job satisfaction to keep priority of long-term success and expand range of product and focus on automation to maintain digital decline (Zwilling, 2020).

2.3. Theoretical Review

The existing theories that are related to the business transformation process of government supported small and medium-sized enterprises have their explanations as well as critics in the basic assumptions. Therefore, the researcher's study centered on the theory of economic growth and development, theory of enterprise growth, resource-based and dependency theory, network affiliation theory and constructs which are clearly explain the business transformation process in line with the situation of small and medium-sized enterprises and associated factors that affect them. The latter parts are mainly an attempt made on the theoretical review that is pertinent for this study.

2.3.1. Theories of Economic Growth and Development

Economic development is subjected to unique investigations by different individuals from time to time. Theories of economic development emerge incessantly over time though each has its uniqueness. Researchers who study economic growth need to pay due attention to the production factors that affect the development of the national economy. As scientific world (2021) reported the main economic growth and development challenge of our world is the widening gap between rich and poor either nation, institution or individual. Some of the major issues of the economic growth and development gap are high population growth rate, low level of human factor, lack of investment and unemployment, poor transportation system and lack of innovation solutions. Ongoing debates and questions about how different factors affect economic growth, sustainable development, and the transformation of various economic sectors. The concepts of economic development and its principles, its original and fundamental methods and classes, and its interpretations of the development process are everywhere different. The theories developed by theorists express carefully how the theorists understand economic development, the questions they ask, the methods they use, the

information sought, and the methods they use are all indicators of the uniqueness and particularity of the theories (Iyiola & Azuh, 2014).

Countries in sub-Saharan Africa have experienced about the economic growth disasters. When the growth of a nation is far below the world average, the signs of growth disaster will appear. Therefore, sub-Saharan African countries have been and continued to be extremely poor and unable to promote economic growth. Nigeria, compared with the developed nations that have differences in living standards and an impact on wealth creation over time. These differences are related to education, nutrition, literacy rates, infant deaths, crime, life expectancy, corruption, high unemployment, misuse of public funds, and lack of other wealth indicators (Iyiola and Azuh, 2014). The relationships between production, growth, and its nature of composition in creating economies cannot be more exaggerated. In an economic environment like Nigeria, its development is deeply entrenched, and the living standards of citizens depend almost on the import of all products (including toothpicks), and growth will not happen. Even though there are numerous definitions of commerce brooding, most researchers concur that a commerce incubation program is an economic and social program that gives intensive support for start-ups, which enables them to begin and quicken their advancement, and accomplish their victory through business company help programs (Iyiola and Azuh, 2014). Particularly, the researcher interested to contribute solution to weak level of human capital in line with improvement of the state of business innovation solutions from the major obstacles of the economic growth and development in Ethiopia.

2.3.2. Enterprise Growth Theory

This theory was proposed by Greiner in 1990. According to this theory, the growth of an entrepreneurial trade company is successful. The theory indicates that growth can be described by revenue generation, added value, and business volume expansion. It can be measured in the form of qualitative characteristics such as market position, product quality, and customer goodwill (Tinega & Nyang`au, 2018). Many factors that influence the growth of companies and distinguish them from non-growth companies comprising the characteristics of the entrepreneurs, the channels for obtaining capital and labor, the context of business development, and how and where the problem matters to the business. It emphasizes that growth is a function of quality decisions that entrepreneurs make, such as how to grow internally and externally, and where to grow in national or international markets (Tinega, & Nyang`au, 2018). For the purpose of study topic, enterprise business transformation process comprises the following five growth transformations.

Executive Management Transformation

A method to business management in which leads the organization through a transformation in direction, process or other critical elements of operation not only supervising the change to take place but also manage the hindrance of managing the employee spirits (Chron,2020). Management transformation theory express four behavior components:

- Proactive to change: seek to make changes before becoming necessary unlike change reactive.
- Motivational: ability to attract and inspire followers toward common purpose to make employees optimistic instead of pessimistic about the expected change (Robert, 2019)
- Bold and visionary; needs a strong envisioning strategy of enterprise enabling to see the big picture headed and ability to clearly communicate and pursue the strategy with the employees.
- Goal oriented; not only set goals but always focus on the performance of goals and working with the employees to achieve it (Ashkenas & Manville, 2019).

Practically, two out of three transformation initiatives fails. Factors most influence transformation initiatives are the weighting difference in hard and soft management issues of the review time duration, integrity and cohesiveness of human resources, commitment, manpower effort beyond the normal working (Sirkin et al., 2005)

Technology transformation

Technological transformation is integration of all area of business activities of management, employee and customers and stakeholders with technology. Though there are slight difference between business enterprises, the common and constant digital technology frameworks such as customer experience, operational agility, culture and management, workforce enablement and technology integration (Tratkowska, 2020). The major drawback of technological transformation is that it doesn't meet the special demands of each person. This is derived from three major factors. Humanistic factors which falls on lack of understanding to define needs of users, how collaborate the system and active participation of managers and users, organizational factor includes system, computer skills in hired HR, methods of analysis before design, and proper documentation and environmental factors are lack of quality criterion for the system, suitable consultants, procedures and methodology to create the system, evaluation of environmental aspects, promotion to develop the culture, training courses, and ratification of the suitable rules, adequate investment (McLloyd, 1999).

Financial Transformation

The general finance transformation is moving from backward to progressive process handling. Attaining finance business transformation requires changes in people, processes,

and the technology which involves using flexible technology platforms. Common principles of finance transformation are: ensuring efficiency in transaction process using ERP systems, avoiding financial planning and reporting using manual, modernize the process of annual budgeting, recurrently update budget assumptions, enable managers with self-service, automate and accelerate financial close and reporting. These can be reduced costs, improved data quality, increased business dexterity, and improved overall business performance. Business transformation needs to change infrastructure and need to be led by the change management team comprised of change agent, change champion, communication coordinator, training coordinator, metric monitor who often face change resistance Ken-thomas (2019).

Training for Transformation

Current theory of training emphasizes on human capital which refers to knowledge, advanced skill, system understanding, creativity, motivation to deliver high quality of product and service to sustain competitive advantage of market. Major theories of training and development are reinforcements such as positive/negative reinforcement, social learning is learning by role model or self-training, goal motivated, need driven, learning from expectancy of an event, self-learning from data processing of instruction, map, diagram picture called adult professional learning (Demiraj, 2020). There are training assessment gaps between the expected and the actual performance behavior occur on individual, team and organization level reflected on lack of hard and soft skills, understanding of job expectation, industry knowledge, cultural norm. To avoid these gaps, training needs assessment to be conducted in consideration of putting clear expectation, measuring performance, explore the training needs, asking employee career development need. Conducting organizational resource analysis and establish a coaching and mentoring program (Zwilling, 2020)

Training transformation has obstacles to be considered. Focused on what benefit to people and business to minimize resistance, recognize previous team change initiative successes and detect customer future needs and study new competitor to reduce fatigue. Putting advisory board, hiring outside market expert (to set mandates, define milestones and make funding decision) to ease difficulty of funding. A company must communicate a winning long-term strategy incentives to drive team work behavior improvement in line with job satisfaction **to keep** priority of long-term success and expand range of product and focus on automation to maintain digital decline Demiraj (2020)

Government Support for transformation

Various theories have explained SMEs' growth from different perspectives. However, for the development of SMEs' its core competency, adequate resource both internal and external are important prerequisite. There are three major factors under this theory:

Growth pattern theory: A synergistic relationship between the SMEs and the larger enterprise sector is a critical factor Havie (2002)

Resource based theory: are four tangible (financial, natural, infrastructure and market) and the three intangible (human skill, innovation and reputational) types of resources useful to overcome transformation obstacles (Rindova & Fombrun 1999).

Approaches to develop a firm's resource: clustering, networking, application of institutional theory. Institutional theory is changing land, labor, energy and capital into goods and services by the help of guide and conducive government policy offers potential growth path for SMEs, business environment and supporting infrastructure (provision of success factors as finance, technology, taxation market and R&D) determines to overcome internal and external difficulties in a competitive environment (Fieldman et al.,2001). SMEs need to identify key success factors such as finance, technology transfer, taxation, market promotion, export opportunities, and research and development strategies that determine the conditions for them to overcome difficulties. Competitiveness can be leveraged by factors global information and knowledge other than location and natural resources, participation in clusters of firm- networks and on-going learning and improvements in efficiency and flexibility. This network relationship created a new information flow and knowledge for SMEs that could be a model for the efficiency of resource distribution to SMEs by policy packages from the state and the market (Nuguyen, 2002). The main challenge of business transformation is that the governments speed up to create new enterprises while inconsistent and latent on providing the very basic supports mentioned above to transform.

2.3.3. Resource-Based and Dependency Theory

The resource-based theory focuses on that people who use different types of resources to carry out entrepreneurial enterprises. Acquiring assets which can improve the chances of starting a new business, but entrepreneurs often start a business with little funds available. Another type of resource that entrepreneurs can use is social networks and the business information provided and human resources competency such as education and other trained skills (Badatu, 2015). In some cases, entrepreneurs help to add leadership quality to the company's irreplaceable portfolio of operational resources. The theory encompasses the risk of having something between individuals in the shape of a colleague or family. As described in this study, officials from various countries or local authorities believe that entrepreneur

groups have different ideas, backgrounds, skills, and creativity and come together to formulate business activities, manage sustainability and provide financial support (Badatu, 2015). Resource based theory has limitations such as incapacity to do an empirical study on measuring the performance, being focused on the internal firm while does not consider market demand and a limited ability to make reliable predictions UKEssay (2018).

Likewise, resource dependency theory was developed by Davis and Cobb in the 1970s. The premise of this theory is that organizations gain power when they have resources that other organizations value. The resource dependence theory draws attention to the internal environment of companies as the driving force behind competitive advantage and emphasizes that companies have to develop capacities of resources to compete and sustain in the competitive environment (Tinega & Nyangau, 2018).

Resource dependence also has its own disadvantages. These are risky business can creates uncertainty of external control, creates management pressure because of permitting their company to be entirely dependent on one provider revenue less secure position and risky of employee retention events from external provider amendment impact entire employee makes unsecure. Therefore, using resource dependence must be based on perfect understanding of the risky Heatley (2018).

2.3.4. Theory of Network affiliation

A study of how social group, technical, and natural biospheres can be effectively connected using different platforms and how each other can interact. Social networks allow people to develop business relations with family, friends and others to stimulate business opportunities, reduce transaction costs, and generating business knowledge. Recent theoretical and empirical discussions emphasize collective innovation and commercial networks. The already mentioned social network is one of the non-monetary resources that entrepreneurs can use exhaustively (Badatu, 2015). Network affiliation comprises two types of network affiliations called agent and event types of networking affiliation models. In an agent network affiliation model, we use agent participants in an event and link them to each other where they have at least one event. On the other hand, having the same pattern as the first, we can also form a network model using a set of events S.Lattanzi (2009). Though it has a complex matrix in the high-level network affiliation model, small and medium manufacturing enterprises must choose from the previously stated two models of networks according to the nature of their business.

2.4. Empirical Review

2.4.1. The Contribution of Small and Medium Enterprises to Economic Development

Small and medium enterprises have got a policy focus on how to determine for creation and development of enterprises in the European Union. The European Commission considers that small and medium-sized companies and business enterprises are a key to guaranteeing financial growth, innovation, work creation, and social integration. Specifically, the contributions of small and medium enterprises in the economic development in Malta, Cyprus, Estonia, Greece, Latvia, Lithuania, and Italy exceeded two-thirds of the total amount that occurred in each of the financial and non-financial resources were very obvious (Matt. & Rauch, 2020). In the United States, the definition of small and medium-sized enterprises are different from industry to industry based on the North system of classifications of the American industry in the number of employees, annual and active sales, or the number of these mixtures. Meanwhile, small and medium-sized enterprises are more created, particularly in developing countries. Many Asian nations small and medium-sized enterprises are the skeleton of the Asian economy, represents a considerable percentage of companies. They create more than 96% of all Asian companies that provide work opportunities from two from three private sectors to the continent. Therefore, their importance is for the economic success of Asian countries economies that are fully functional in security support measures (Matt & Rauch, 2020). According to WTO calculations based on the World Bank, small and medium-sized enterprises survey that covers more than 25,000 small and medium-sized fabricating enterprises in developing countries, a large-scale manufacturing company compared to the 14.1% of the small and medium-sized enterprises sector represents only 7.6% of high in the development area. Africa has developed 3% of export engagements, and even compared to 8.7% for Asian development is very low. The participation of small and medium-sized enterprises in the direct export of services in developing countries is trivial and compared to 31.9% for large companies, represented only 0.9% of total sales.

In many countries, especially in the member countries of the Organization of Economic Cooperation Development (OECD), small and medium-sized enterprises have a role in economic development and an ecosystem throughout the industry (Matt & Rauch, 2020). In the area of the OECD, small and medium-sized enterprises have a large number of business companies which represent around 99% of all companies. In the OECD member countries, SMEs have considered the main source of job opportunities employment contributes around 70% aiming at approximately 70%, which creates about 50% of the average value of 50 to 60%. Within the developing economy, small and medium-sized companies speak to up 45%

add up to business and 33% of GDP. Small and medium-sized endeavors contribute to more than half of the business sum in most nations, in any case of the salary level. In addition, the development of small and medium-sized enterprises can contribute to economic diversification and recovery (ability to recover), and thus to a more sustainable economy. This issue is particularly relevant to ingenious countries; they are vulnerable at the prices of the products (Matt & Rauch, 2017 cited in 2020). Small and medium-sized enterprises also represent the remarkable position of many developing countries like Ethiopia. In Ethiopia, the same as other developing countries number of small and medium-sized enterprises are constantly growing- though the most critical problems are their current status, phase, and rhythm. There are many small and medium-sized enterprises in developing countries, nevertheless compared to their importance and their number is almost no research to think through the area of business management, especially in Ethiopia (Ephrem, 2011).

2.4.2 Factors that Affecting Business Transformation Processes of Small and Medium Manufacturing Enterprises

Production is a necessary and value-added business process, primarily used for the survival and development of small and medium-sized fabricating enterprises. Small and medium-sized fabricating enterprises are more motivated to do it than measure it (Ahmed & Sun, 2012). Research in South Africa shows that the employment and job creation potential of small and medium-sized enterprises have exaggerated, helps to alleviate poverty and ultimately create wealth. Recently, small enterprise business development has been got a more important focus in the provision of government incentive policies in developing countries for its crucial contribution of GDP increment. The reason for giving due attention to SMEs is that the estimated value of their contribution of the small and medium-sized enterprises to the GDP is up to 50%. The World Bank (WB) and the International Monetary Fund (IMF) support the promotion of small businesses as a means of poverty reduction in developing countries. For example, the World Bank (2014) reported that support for small businesses has led to poverty alleviation in Egypt (Ndege, 2015). The business environment has defined as the internal and external circumstances of each enterprise that can affect the continued existence, successful sustainability and development of that business organization. The business environment has got a focus because of its consideration for the business environment that plays a fundamental role in the growth of small and medium-sized enterprises. The advancement of the internal and external business environment of a business organization is essential for the success of the business growth of small and medium-sized enterprises. Business success is about achieving the goals and objectives of the business even though it is not undoubtedly defined; it may express as the ability to perform acceptable actions and results (Eltahir, 2018). Other

factors that have a positive impact on the commercial victory of small and medium-sized enterprises include business characteristics, type of enterprise, business types, enterprise management, and technical knowledge, quality of products and services, access to markets, means of doing business and cooperation, resources and finances, strategy and environment. Confidence in financial data can also determine the ability to enlighten future performance because it had experienced previously mislead the success of small businesses impacted by the use of technology. Therefore, business owners who can integrate data innovation into their business forms and activities can promote their business growth and change (Eltahir, 2018).

Executive Management: is an endeavoring for development in competitive marketplaces; top-down bureaucratic progressions cannot be continuously the leading for encouraging fast decision-making and responding to advancements. Transforming the administration structure may be part of the arrangement, but engaging people to form choices themselves or rapidly reach an agreement is more vital. Which requires socialization, get to data, building up clear communication channels, and generally straightforwardness in business organizational capacities. Management seeks to create a leadership structure that makes it easier to reach their potential (Swapna & Raja, 2012).

In a nutshell, small and medium manufacturing enterprises play a substantial role in the development of countries' economies through employment opportunity and income generation, industry foundation and firm productivity, appropriate using and saving operation of resources, technology transmission, revenue generation and trade linkages, and equitable distribution of affluence within a country.

In Ethiopia, the working definition of small and medium enterprises depends on capital and Labor, same as of micro and small enterprises, the medium is also based on capital investment and paid hired labor (Abaynesh, 2020).

Technology ought to be an intelligent way of execution to create intended wealth, and people advance get to data and information. Technology is significant to promote integration between the process of production, consumption and convincing consumers, entrepreneurs, and directors of its merits (Veyrat, 2016).

Technology designates a combination of machinery, labor, skills, and techniques. These technologies are consistent with local resources and conditions to the relatively effective use of abundant resources. In case, the issue of selecting suitable innovation and the restricted get to this sort of innovation has displayed genuine issues and deterrents for administrators of small scale endeavors. In Ethiopia, 29% of machinery failures are the reason for their

operational inability to be noted that small enterprises have difficulties accessing appropriate technologies and information (Mesfin, 2015).

Finance: entrepreneurs generally start creating business undertakings with minimal assets because they lack funds and cannot access other sources of funds. In addition to improving their poverty level and low income, an entrepreneur should also provide possible support to other similar entrepreneurs. Therefore, the competitive financial needs of launching new businesses and supporting others are the main challenges for business growth and transformation. Frequently, the income earned by many poor women for an emergency of family needs, rather than savings or expansion for additional investments, resulted from a reduction of investment capital (Zelalem, 2019). Financing channels are an issue for entrepreneurs to start and expand their business continuously. Access to credit, especially starting a new business, is one of the main constraints faced by entrepreneurs (Xavery, 2013 cited).

Financial access and entrepreneurship skill training: can promote income generation and create more and better jobs, especially when offered as a package. Most of the interventions evaluated so far have targeted microenterprises or self-employed individuals at the foot of the pyramid. These plans must be maintained and sustained because they continuously make a valuable contribution to providing stable income and creating additional jobs. It is a rare case to conduct rigorous impact assessments on small and medium-sized enterprises government policies other than micro-enterprises, and it is even more necessary to check the effectiveness of existing policies for this market segment. Such appraisals must incorporate the youth with fast-growing small and medium-sized enterprises that create the newest jobs. In terms of specific target groups in the labor market, there are more employment interventions for youth than for other age groups. Therefore, youth entrepreneurship must continue to actively participate in labor market policies that help reduce the burden of youth unemployment. In terms of income generation and employment, interventions focusing on women business people appear less fruitful (International Labor Organization [ILO], 2015).

Training: these are all considered based on the view that market failure will limit the development is related to lack of training or lack of skills in the labor force. Therefore, the skills acquired in a specific training program should help to improve workers' employability, wages, and enterprise productivity. According to the OECD (2013) report, the impact of pieces of training on small and medium enterprises reached only at low-level skills of workers even though there are pieces of evidence that have a positive effect on large companies. The training policies and programs of SMEs have been existed for decades to improve the low level of competence for small and medium enterprises, but the hole between

huge companies and small companies continuing. The solution to the problem is an in-depth understanding of situations in the background and identifying the issues related to training for small and medium enterprises for the background questions (Maramawit, 2017).

The International Labor Organization (ILO) has been recognized globally as a participant in supporting entrepreneurial development and has made efforts and investments to evaluate its interventions in this field rigorously. Moreover, the future evaluation of the organization should also consider a cost-benefit analysis, which has not been done so far by the ILO and most other agencies. There is strong evidence that a favorable environment supports employment opportunities and economic growth. Thus, the smaller the size of the enterprise have more impact on employment opportunities. That affirms that the suspicion of the environment and a level playing ground are critical for the competitive improvement of small and medium-sized enterprises. The work of the International Labor Organization in making an empowering environment for endeavors does not have a sufficient history to supply positive comes about. Be that as it may, the introductory comes about of intermediate comes about are promising, such as embracing changes and diminishing bureaucracy. The ILO should increase its efforts to monitor and quantify the results of its interventions in an enabling environment (ILO, 2015).

Entrepreneurs often face difficulties to access support networks: the lack of access to business networks could be one of the hindering factors in achieving growth and success of the business (Zelalem, 2019). Lack of access to social networks means having fewer business contacts, less knowledge to deal with the governmental bureaucracy, and less bargaining power. Further, all of these shortages limit the growth of enterprises (Xavery, 2013).

Competition within the market influence of small and medium manufacturing enterprises: all firms want to be the first choice for customers who require their companies to have a better competitive advantage through four components: quality, delivery, low cost, and flexibility. A national economy is highly dependent on manufacturing, which means that the industry is facing market pressure, and fierce competition requires more capable manufacturing companies to adopt the most strategic management accounting professionals to realize their business mission (Msomi et al., 2019). However, professionals have brought skills, experience, and knowledge of management accounting for the small and medium-sized environment to create a suitable environment for a competitive advantage in the market. Small and medium-sized enterprises play a role in improving marketing and maintaining appropriate customer satisfaction, product specifications, and innovative methods of production processes. Technology is the driving force of small and medium-sized enterprises to adopt newer or modern management accounting practitioners and use the latest technology

to gain a larger market share. The competitive advantage by many diversified elements that constitute higher value, and these elements are correspondingly unique and intelligently allocate limited resources. Competition affects the adoption of relevant management accounting professionals, which is critical to gaining a competitive advantage (Msomi et al., 2019).

Government support of small and medium manufacturing enterprises: government and other supporting agencies act as a catalyst that provides financial assistance in start-up capital, cash flow injection for business operation, and supports the training needs for small and medium-sized enterprises. Since small and medium-sized enterprises have contributors to the GDP across the globe, government and agencies need to promote training to enhance the adoption of management accounting practitioners. Small and medium-sized enterprises must take necessary measures to utilize such management accounting practitioners. A compulsion to urge satisfactory management accounting specialists will take the business displays to a more significant elevation (Ngibe & Nyide, 2019).

The government with other stakeholders can play a crucial role in shaping the business environment in which growing small and medium-sized enterprises can flourish: providing appropriate business information, supporting networks and skills for development, and ensuring the availability of suitable business finance. Though creating an enabling environment and providing support programs for sustainable growth is not easy, a policy has developed rapidly in recent years. However, the evidence of evaluations shown that the existing policy programs remain relatively limited in function (Maramawit, 2017).

Accessibility to policymakers: most entrepreneurs have little access to participate with policymakers or representation on policymaking bodies. Large companies can more easily influence policies since they have a platform with policymakers seen as their peer groups (Xavery, 2013).

Governments focus on designing policies and creating institutions to provide entrepreneurs with know-how, a predictable framework for a business run and the necessary business skills to scale up their operations. A framework is needed for the government to help interact with micro-enterprise owners to provide foundational support through its existing agencies. Governments provide support while commit themselves to assist the public through their convenient policies and institutions. The government gives more assistance to makers or merchants in the industry to anticipate the decrease of the industry. The support may be in the shape of financial and non-financial. Financial mainly refers to subsidies, credits, and soft loan guarantee schemes, and non-financial services is refer to training, advice or consulting,

supply of information, and networking beneficiary enterprises in interactive relationships to the benefit of all parties engaged (Maramawit, 2017).

According to Berihu et al. (2014), both governments at the federal and regional level reports indicated that there had been considerable efforts to create a conducive environment for the proper function of enterprises within the economy in Ethiopia. These efforts had been manifesting in formulating and promulgating policy, various strategies and support instruments to help enterprises to meet the dynamic socioeconomic situations of the country. Even though the report also showed that massive demand in the country seen to move to small and medium-sized enterprises business involvement still limited capacity was the challenge to address all supports required at firm levels (Maramawit, 2017).

As Veyrat (2016) described having only the business strategic vision is not enough. So that many companies and manufacturers fail to achieve the presetting goals of the business change handle for the reason of being faced with catastrophic challenges. In a changing world, we must pay attention to a well-defined operating model to achieve an effective transformation process resulting from a positive impact on the key factors such as people, process, technology, and executive management.

Table 2.4.2: Small and medium manufacturing enterprise definition of Ethiopia

No.	Enterprises	Sector	Hired Labor	Amount of Capital
1	Small	Service	6-30	50,001-500,000ETB
		Industry	6-30	101,000-750,000 ETB
2	Medium	Service	31-100	501,000-750,000 ETB
		Industry	31-100	750.000-1.5million ETB

Sources: Adapted from Abaynesh (2020).

2.5. Conceptual Frameworks

Based on the study topic, general question, reviewed related literature and the selected independent and dependent factors, simple visual conceptual framework is drawn.

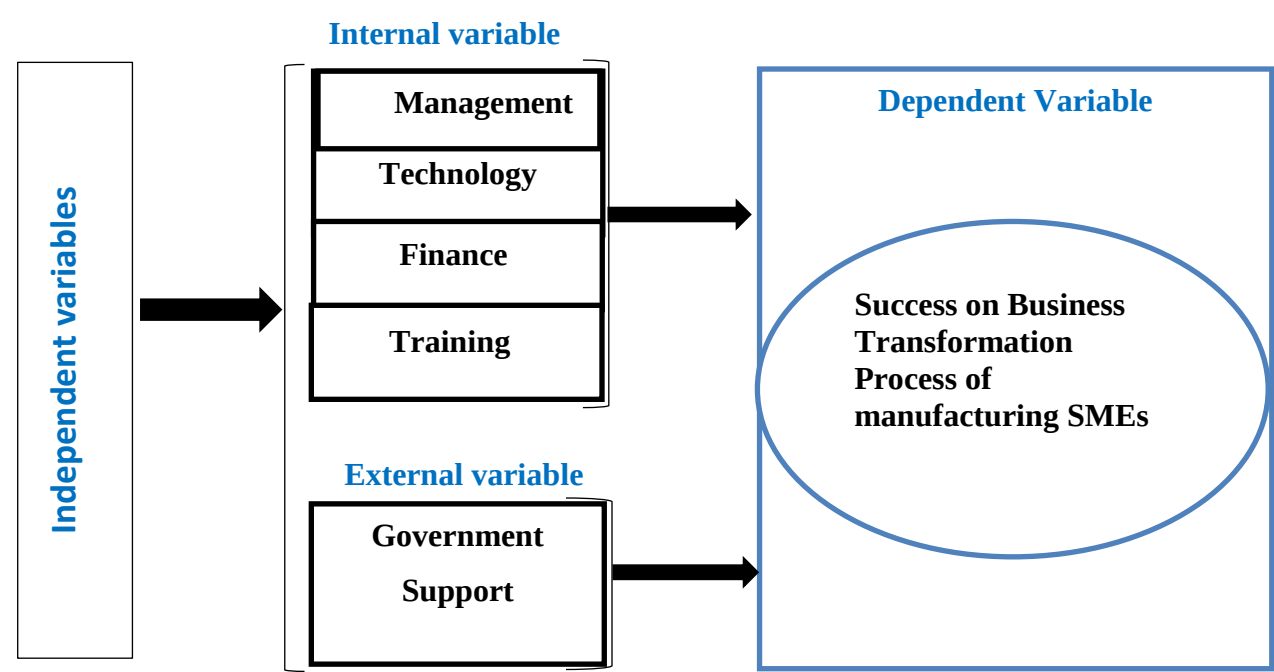


Figure 2.5.: Conceptual framework
Developed by Researcher (2021).

2.6. Research Hypothesis

In line with the theoretical, conceptual and empirical studies, the following hypotheses are to investigate the questions and objectives throughout the research:

- H01: Executive management has not a significant positive effect on the business transformation process of manufacturing SMEs in Addis Ababa city administration.
- H02: Technology has not a significant positive effect on the business transformation process of manufacturing SMEs in Addis Ababa city administration.
- H03: Finance has not a sizeable positive effect on the business transformation process of manufacturing SMEs in Addis Ababa city administration.
- H04: Training has not a substantial positive effect on the business transformation process of manufacturing SMEs in Addis Ababa city administration.
- H05: Government support has not a significant positive effect on the business transformation process of manufacturing SMEs in Addis Ababa city administration.

CHAPTER THREE

METHODS OF THE STUDY

An investigative strategy is logic and theory that elaborates the research procedures, techniques, and tools for a specific research problem. So, to carry out this study, the researcher has employed effective scientific method to achieve the intended objective of the study. Accordingly, some of the details of the scientific procedures have elaborated in the following manner.

3.1. Description of the Study Area

Addis Ababa city administration has eleven sub-cities and 120 districts or Woredas. The numbers of manufacturing small and medium enterprises that are found in Addis Ababa City Administration are 6,146 small enterprises, and 1,505 are medium manufacturing enterprises. Those enterprises have created employment opportunities for 30,604 employees and owners in Addis Ababa City Administration.

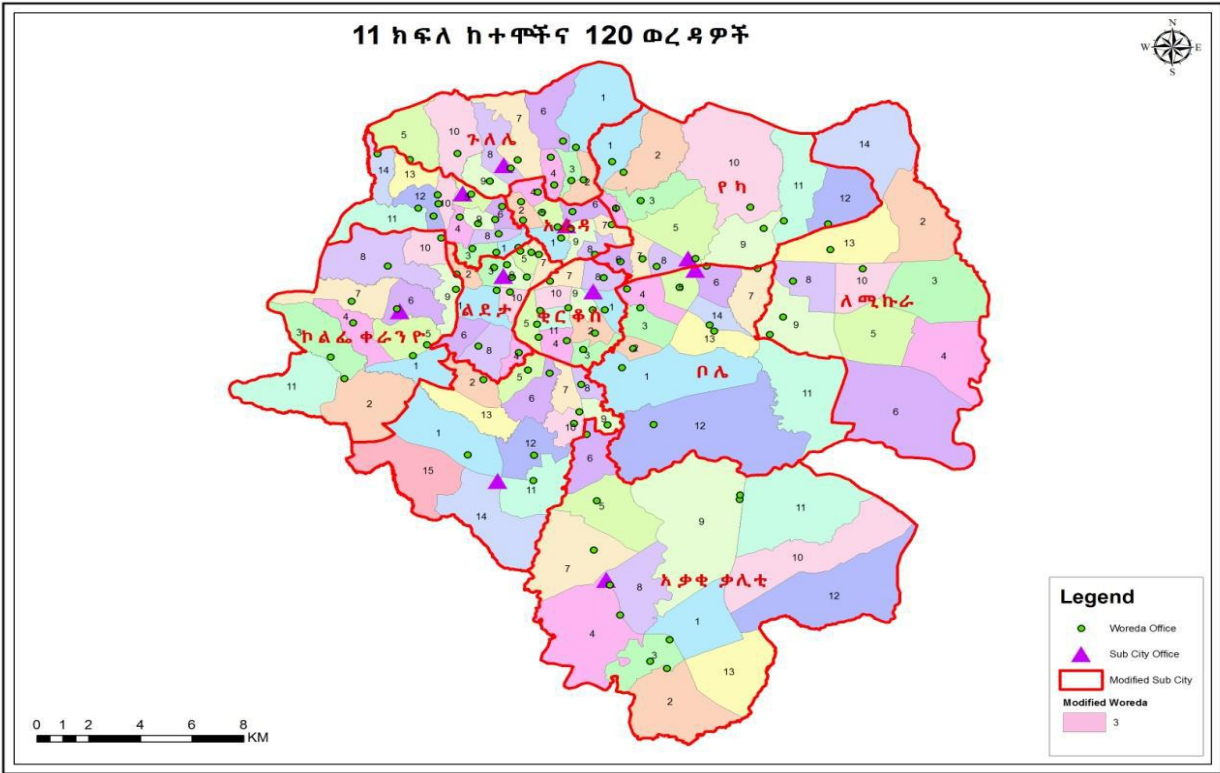


Figure 3. : Map of Addis Ababa City

Sources: Addis Ababa city Administration Sub-Cities and Weredas revised structure study (2020)

3.2. Research Design

The research plan is the structure of inquiring about which appears how all of the foremost parts of study about the arrangement of the sample tests, work together intending to investigate questions. Moreover, the research plan is a step of actions to be done as a part of

precondition for data collection and investigation of information in a way that tends to combine significance to the research purpose within the strategy (Kothari, 2004).

The analyst selected to use an explanatory method within quantitative probability approach bearing in mind that the desire of the researcher was to obtain first-hand data through survey method from the sources to investigate cause and effect relationships of factors help formulate rational and sound conclusions and recommendations for the study. In line with the mentioned evidence, the descriptive research design for this study is found appropriate for describing and summarize the existing situation of the respondent's responses in a convenient way and further inferential analysis. The statistical analysis (inferential) is employed to examine the selected factors affecting the situation of the business transformation process of government-supported manufacturing small and medium-sized enterprises. In the term time phase, this study has also used a cross-sectional research design to study the relationship between the independent and dependent factors with other control factors. The reason for using this research design is that it empowers the analyst to recognize the strength of each factor affecting the business transformation process of government-supported manufacturing small and medium-sized enterprises found in Addis Ababa City.

3.3 Target Population

The target population was framed as all government supported manufacturing SMEs found in Addis Ababa city administration are included. The target population has firstly segmented into four industry clusters such as metal and wood work, textile, leather and construction. Then, each clusters further subdivided into small and medium size groups. Then, the list of target population provided under four clusters while each cluster consists of two size level sub groups. Hence, study sample was drawn procedurally according to each size (Kothari, 2006). The framing of target population and segmentation procedure have done in collaborating with the experts of Addis Ababa city administration bureau head of work creation and enterprise development, via respective sub-city branch offices of the small and medium manufacturing enterprise.

3.3. Sampling Technique and Sample size

The total population in the study area of the small and medium-sized manufacturing enterprises found in the Addis Ababa city administration were 7,651 manufacturing enterprises consisting 30,604 employees. It is expensive in terms of money and time to collect data from all those enterprises so that the researcher was determined to take sample size from the total segmented target population. Since each cluster group found in one sub-city compared with identical cluster found in other sub-cities has homogenous nature, the probability cluster method was employed to represent three sub-cities comprised of four

homogenous industry sites consisting small and medium sized enterprises. Further, according to size segmentation 6146 are small and 1505 are medium manufacturing enterprises. Therefore, considering the cheaper, faster, and better principle of sampling number of the respondents calculated using the sample size determination formula developed by Yamane (1967).

$$n = N/1 + Ne^2, n = 30604/1 + 30604(0.05)^2 = 395$$

Where,

n = sample size

N= population and

e = the error of sample (5%)

In practice, the nature of the population is complex to represent a study sample that required a specific mechanism to make it relatively better representative sampling technique. Under the probability principle, cluster sampling technique was employed to represent every four industry clusters from three sub-cities. Because it is assumed that every cluster found in one sub-city has homogenous nature with its similar cluster found in other sub-city. Considering this, stratified sampling technique was employed to decide the size of study sample which resulted in 80% for small and 20% for medium manufacturing enterprises, while the same style of sampling proportion was applied to clusters under small and medium sized enterprises. Finally, a systematic random sampling technique was employed to represent the individual respondent. Therefore, distribution of the total 395 study sample representation has described as follows:

Table 3.3 study sample representation

Sub-cities		Cluster sites	Size level categorical sample sizes		total	Remark
			small	medium		
1	Gullele	textile	93	23	116	
2	Yeka	Metal & wood	64	17	81	
		construction	91	22	113	expansion
3	Arada	Leather	68	17	85	
Total			316	79	395	

3.4. Data Sources and Data Collection Instruments

Both secondary and primary sources of data are employed to attain the objectives of this study.

Secondary Data Sources: the secondary data sources used to obtain information mainly from different office reports, articles, journals, websites, and literature, which are relevant to the themes of the study regarding factors affecting the business transformation process of government-supported small and medium-sized manufacturing enterprises.

Primary Data Sources: as stated previously, the nature of the research invites a quantitative approach from the data collection tools. To doing so, this study has specifically used a questioner and documentary analysis. The questions are closed-ended questions within the structural format and a single open-ended question that help to achieve the pre-setting objective of this study. The explanatory method within the descriptive research approach is employed within the quantitative approach of data collection and presentation. Therefore, the research specifically had employed document analysis and surveying questionnaire analysis. For the preparation of the tool for data collection, a comprehensive research questionnaire had prepared as easy as the respondents to answer by respondents to address the research objectives and hypothesis. The English language version translated into the Amharic version in addition to being simple and unambiguously constructed. Each measurement item is developed based on Likert scaling as this is most appropriate for the study. It had developed based on the level of agreement on a 5-point liker scale ranging from strongly agree, agree, neutral, disagree, and strongly disagree, which have a numeric value assigned from 5-1 respectively.

3.5. Methods of Data analysis

This section describes the methods of data analysis. The statistical analysis method is selected to analyze the data collected through different statements included in the questionnaire. The data has collected through closed-ended and single open-ended questions. Then, it was analyzed using descriptive and inferential statistics procedures via Microsoft excel in Software Package for Social Science (SPSS) 24 version.

Under the quantitative analysis, the two main analysis methods was employed: First: the correlation of the dependent independent variable analysis model, specifically called Pearson correlation analysis. These coefficients had used to measure the degree of association between independent and dependent variables under consideration. Second: the regression analysis method is applied to estimate the causal and effect relationships between the chosen independent and dependent variables. This study predominantly focused on examining the business change handle of government-supported small and medium-sized fabricating enterprises. The researcher planned and employed an inferential analysis (inferential analysis is also known as statistical analysis) concerned with the statistical estimation of population parameters from all interprets of small and medium manufacturing enterprises and the testing

of statistical hypothesis or test of significance. The inferential analysis is mainly concerned with population test estimation coefficients from all small and medium manufacturing enterprises descriptive values such as the population mean, population standard deviation, and various tests of significance/ testing hypothesis. In this way, inferential examination plays the major role in statistical estimations, since by and large it isn't possible to go for the whole population while conducting the research a sample is selected, and inferential statistical examination for the sample test values gotten to infer about the total population coefficients of small and medium manufacturing enterprises.

3.6 Model Specification

The model specification is selected and defined as the application of formally stating an explicit transformation of all the available relevant theory of research and information into mathematical equations. The following model has proposed to run multiple linear regressions necessary to test the effects and statistical significance of factors affecting the business transformation process of small and medium manufacturing enterprises in the Addis Ababa City administration.

Research Model

$$Y_i = \alpha + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + \beta_4 X_{4i} + \beta_5 X_{5i} + \epsilon_i$$

Where,

Y_i = Dependent variable (Business transformation process of small and medium manufacturing enterprises).

α = constant

β = (Beta value) coefficient of slope of regression model

X_1 = Management

X_2 = Technology

X_3 = Finance

X_4 = Training

X_5 = Government support

ϵ_i = error term

3.7. Validity

Validity test is performed to ensure whether the selected variables used to study were able to measure the intended particular concept. The rule of thumb for this statistics test accepted minimum value 0.6. Whereas, as SPSS tool result as shown below is 0.860.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.860
Bartlett's Test of Sphericity	Approx. Chi-Square	1749.153
	Df	15
	Sig.	.000

3.8. Reliability

As Kothari (2004) had indicated reliability refers to consistency, where internal consistency involves correlating the responses to each item of the question paper. One of the most commonly used indicators of internal consistency is Cronbach's alpha coefficient. The Cronbach's alpha coefficient of scales should be at least 0.70, and the higher the better off. Therefore, as shown in the table below results of the reliability test of Cronbach's Alpha coefficients, all are above 0.7. Hence, it is possible to conclude that each variable is reliable.

Table 3.8.: Measurement of Reliability Analysis

Variables	No of items	Reliability Statistics in Cronbach's Alpha
Management	9	.803
Technology	5	.819
Finance	7	.883
Training	5	.806
Governmental Support	5	.816
BTP of SMMEs	13	.919
Total	44	.932

3.9. Ethical Considerations

Conducting a study on factors affecting the business transformation process of government-supported small and medium-sized manufacturing enterprises in Addis Ababa City is an issue that requires the security, privacy, and confidentiality of the respondents. Before starting the fieldwork, the researcher obtained a permission letter from the Department of Business Administration, Addis Ababa University. Next to this, the researcher discussed with the respective bodies represented by the sector bureau and branch offices in addition to the field experts focused on the necessary preconditions. Then, the respondents were selected in such away.

Therefore, the researcher had contacted the informants based on their willingness and oriented them that the research would never put them at risk. In addition, the researcher informed the respondents about the objective and rationality of the study undertaking and

assured them by indicating not to put their names and addresses on the question papers already they would be filled and returned to the researcher. Assuming to reduce the barriers, the researcher had tried enough to get informed consent for this study. Finally, all the materials have returned to the researcher used for this study were timely acknowledged by the researcher. Therefore, consciously the necessary ethical research concerns were given weight and solved as preconditions.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

Data Presentation, Analysis and Discussion

This section deals with the data presentation, analysis, interpretation, discussion, summary findings, and conclusions based on the study findings of stated objectives. This chapter is composed of issues focused on the reliability analysis scores of the instrument employed in this research, the response rate of the respondents, the descriptive analysis statistics on both dependent and independent variables, the result of tests of assumptions, and the inferential analysis. All these performed to examine the relationship of independent and dependent variables, influences of independent variables over a dependent variable, and hypothesis analysis to reject or accept had been tested and reported as follows.

As mentioned in the earlier part of this study, orientations were conducted for the concerned head and brunch office authorities and experts, and then for the selected respondents before 395 question papers were distributed, then, out of the distributed questionnaires, 370 (93.7%) were returned without missing, whereas 25 (6.3%) question papers were not returned. Hence, the returned 370 question papers served as a source of data presentation, analysis, interpretation, and discussion besides drawing the conclusions and recommendations.

4.1. Descriptive statistical analysis of demographic Profile of the Respondents

Descriptive statistics presentation has several uses for research to present, test, interpret, describe, putting study findings, and conclusions and recommendations in line with the stated objectives. This part presents a descriptive analysis of the personal profile of the respondents of small and medium-sized manufacturing enterprises in Addis Ababa City. The demographic situation of respondents has presented and interpreted the data collected from their profile of sex, age, education level, marital status, and workplace included. Then the demographic characteristics of the respondents are summarized in table 4.1 below.

Table 4.: Demographic profile of the respondents

	Item	Frequency	Per cent
Sex	Male	205	55.4
	Female	165	44.6
		370	100.0
	Item	Frequency	Per cent
Age	18-30	158	42.7
	31-50	156	42.2
	>50	56	15.1
	Total	370	100.0

	Item	Frequency	Per cent
Marital status	Married	189	51.1
	Single	139	37.6
	Divorced	42	11.4
	Total	370	100.0
	Item	Frequency	Per cent
Education level	Diploma	140	37.8
	Degree	220	59.5
	Master's	10	2.7
	Total	370	100.0
	Item	Frequency	Per cent
Industry clusters	Gullible (textile)	109	29.4
	Arada (Leather)	80	21.6
	Yeka (M & W)	75	20.3
	Yeka (Constriction)	106	28.7
	Total	370	100.0

Source: Field Survey, 2021

As depicted in Table 4.1 above presents the demographic information of the respondents. With regards to the sex of the respondents, 205 (55.4%) of the respondents were males while the rest 165 (44.6%) were females.

As disclosed in the table above, the number of respondents have dominated by the age group of 18-30 were 158 (42.7%). Respondents in the age group of 31-50 years were 156 (42.2%) and whose age of greater than 50 years were 56 (15.1%). This indicates that the majority of the employees (42.7%) are relatively in the younger age group. Looking at the marital status of the respondents, the employees who participated in the survey were married 189 (51.1%), those who became single were 139 (37.6%), and the remaining 42 (11.4%) respondents were divorced.

Concerning the educational background of the respondents, the amount of 220 (59.5%) were graduates with Diploma, 140 (37.8%) of them were university graduates with bachelor degrees, and the remaining 10 (2.7%) respondents had a master degree. This indicates that the tremendous lion's share of the employees of the enterprises was undergraduate and Diploma certified citizens.

For distribution of working areas of the respondents, Gullele sub-city (textile industry cluster) represented 109 (29.4%) respondents, Arada sub-city (leather industry cluster) represented 80 (21.6%) respondents, Yeka sub-city (Metal & Woodwork industry cluster) represented 75 (20.3) respondents, in addition to construction industry cluster represented 106 (28.7%) respondents. The expansion sub-city represented Metal and woodwork cluster employees in addition to the construction cluster.

4.2. Descriptive analysis on Factors affecting Business transformation process of Small and Medium manufacturing Enterprises

Based on the literature review and information collected from respondents reflection of the given items, it is possible to say that the process of recruitments of participants in small and medium manufacturing enterprises found in Addis Ababa city, educational contribution is ignored, weak usage of technology existed, have failure for the transformation and total decline, failure of focused government follow up and providing and applying suitable and sustainable government support in general, shortage of finance, shortage of convenient skill training, lack of clear policy for training and relatedly trained expertise in the support staff, weaknesses of timely taking corrective measures, lack of regular experience sharing, shortage of access to market place and working premises, lack of sector merit recruitment of participants, impractical and inconvenient practice of rules and regulations which drives corruptions, shortage of market network connections, lack of entrepreneurship skill, lack of convenient show room in addition to lack of infrastructure, shortage of raw material supply, and finally lack of awareness about small and medium-sized fabricating enterprises radical business change handle are all have confirmed hindering barriers currently in the stated enterprises found in Addis Ababa city administration.

From all the previously mentioned challenges the latter part that is the lack of awareness about small and medium-sized manufacturing enterprise business transformation is focused by the researcher. The researcher tried to examine the respondent's data collected and reflect on the selected factors that affect the business transformation process of government-supported small and medium-sized manufacturing enterprises. The five selected factors such as executive management, technology, training, finance and government support collected data was presented, tested and analyzed, and study findings summarized and putting conclusions and recommendations as factors affecting the radical business change handle of small and medium manufacturing enterprises using frequency, percentage, mean and standard deviation by using the tool of 5 - point Likert scale.

Specifically, the 5- point Likert scale with their respective numeric value was 1: Strongly Disagree; 2: Disagree; 3: Neither Agree nor disagree or neutral, 4: Agree and 5: Strongly Agree. Moreover, in a frequency distribution table F = frequency and P = percentage.

Thus, the statistical mean shows to what extent the sample group agree on average or disagrees with the different statements of the questionnaire. According to Marczyk et al. (2005), the lower the mean, the more the respondents disagree with the question statement. The higher the mean value is, the more the respondents agree with the question statement. Thus, the benchmark for the descriptive analysis of this study was a mean score between 1

and 2.33 indicates low agreement, a mean score between 2.34 and 3.67 indicates moderate (medium) agreement, and a mean score of 3.68 or above indicates strong agreement (Zaidatol et al., 2012).

4.2.1. Management

Table 4..1. Descriptive statistics summary result of Executive management on manufacturing SMEs

Questions		Responses					Mean	Std. dev
		1 SDA	2 D	3 N	4 A	5 SA		
Lack of strategic business transformation planning	F	0	281	4	42	43	2.59	1.082
	P	0%	75.9%	1.1%	11.4%	11.6%		
Lack of sufficient management accounting practitioners	F	138	0%	0	189	43	3.00	1.573
	P	37.3 %	0%	0%	51.1%	11.6%		
Poor management skill	F	0	70	27	167	106	3.48	1.045
	P	0%	18.9%	7.3%	45.1%	28.6%		
Lack selection of business stakeholders	F	0	0	139	85	146	4.02	0.879
	P	0%	0%	37.6	23.0	39.5		
Failure to the proper administration of business enterprise	F	0	139	6	140	85	3.48	1.210
	P	0%	37.6%	1.62%	37.8%	23.0%		
Lack of clear division of duties and responsibilities among employees	F	0	2	180	145	43	3.62	0.693
	P	0%	0.54%	48.6%	39.2%	11.6%		
Lack of clear business strategically mission and vision	F	8	9	1	215	137	4.25	0.776
	P	2.2%	2.4%	0.3%	58.1%	37.0%		
Failure to the integration of business enterprises	F	50	134	18	82	86	3.05	1.434
	P	13.5 %	36.2%	4.9%	22.2%	23.2%		
Lax of rigorous impact assessments of small and medium enterprises	F	5	146	-	177	42	3.28	1.142
	P	1.4%	39.5%	-	47.8%	11.4%		
Total grand mean and standard deviation							3.42	1.093

SDA – Strongly Disagree, D - Disagree, N – Neutral, A - Agree, SA - Strongly agree

Source: Field Survey, computed in SPSS, 2021

As depicted in the above table 4.2.1, regarding management issues, the mean score of 2.59 indicated that the sample respondents agreed on an average /moderate level that the small and medium-sized fabricating enterprises had not a strategically planning to transform their business. Hence, the respondents reflected on the question of lack of strategic business transformation plan, a relatively the highest of the respondents 281 (75.9%) disagreed, 43 (11.6%) strongly agreed, 42 (11.4%) of respondents were agreed.

The mean score of 3.00 implies that the respondents had an average/moderate agreement on the insufficient management accounting practitioners. Hence 189 (51.1%) of respondents agreed, 138 (37.3%) of the respondents strongly disagreed, and 43 (11.6%) strongly agreed. Concerning poor management accounting skills, the mean score of 3.48 implied that the respondents' had a moderate agreement. Out of the total respondents, 167 (45.1%) respondents replied only agreed, 106 (28.6%) of respondents revealed strongly agreed, 70 (18.9 %) of respondents responded agree, and the remaining 27 (7.3%) of respondents are neutral on the stated question. With regarding, lack of selection of business stakeholders in small and medium fabricating enterprises, the mean score of 4.02 implied that there were very strongly agree. Then, 146 (39.5%) of respondents revealed strongly agreed, 139 (37.6%) of respondents responded to the neutral alternative, and 85 (23%) of respondents replied agreed only on the prescribed question. Concerning the question, a failure to the proper administration of business enterprise mean score is 3.48. This implies that on average the respondents had a moderate agreement. Thus, 140 (37.8%) of respondents agreed, 139 (37.6%) of respondents replied disagree, 85 (23%) of respondents respond as strongly agree, and the remaining 6 (1.62%) of respondents disclosed neutral on the question.

On the question of a need for a clear division of obligations and duties among employees of small and medium fabricating ventures, the mean score of 3.62 implies that the respondents moderately agreed. Specifically, 180 (48.6%) of the respondents were responded neutral, 145 (39.2%) of respondents simply agreed, 43 (11.6%) strongly agreed, and 2 (0.54%) respondents revealed disagreed.

The mean score of 4.25 implies that the respondents responded a strongly agree, for the question says lack of having a clear strategic business mission and vision. Such that 215 (58.1%) of respondents responded only agree, 137 (37.0%) of the respondents were strongly agreed, 9 (2.4%) disagreed, 8 (2.2%) strongly disagreed, and 1 (0.3%) of the respondent was neutral.

For a failure to the integration of business enterprises, the mean score of 3.05 implied that moderate agreement. While 134 (36.2%) respondents replied disagree, 86 (23.2%) of respondents revealed strongly agree, 82 (22.2%) of respondents respond as agree, 50 (13.5%)

of respondents disclosed strongly disagree, and the remaining part of 18 (4.9%) of respondents replied neutrally on such given question.

Finally, on the lack of rigorous impact assessments of small and medium enterprises, the mean score of 3.28 implies that respondents had a moderate agreement. Hence, 177 (47.8%) of respondents have disclosed their agreement, 146 (39.5%) of respondents revealed disagreed, 42 (11.4%) of respondents responded as strongly agree, and the remaining portion of 5 (1.4%) of the respondent responded neutrally.

The total grand mean value of 3.42 and standard deviation 1.093 of the management study results indicated that they agreed on a moderate level of management practices.

4.2.2 Technology

Table 4.2.2: Descriptive statistics summary result of technology on manufacturing SMEs

Questions		Responses					Mean	Std. dev
		1 SDA	2 D	3 N	4 A	5 SA		
Lack of skills to handle new technology	F	65	122	12	117	54	2.93	1.390
	P	17.6 %	33.0%	3.2%	31.6%	14.6%		
Lack of appropriate machinery and equipment	F	38	95	9	174	54	3.30	1.279
	P	10.3 %	25.7%	2.4%	47.0%	14.6%		
Unable to select proper new technology	F	40	131	9	123	67	3.12	1.354
	P	10.8 %	35.4%	2.4%	33.2%	18.1%		
Failure to properly control the existing technology	F	44	13	108	74	131	3.64	1.315
	P	11.9 %	3.5%	29.2%	20.0%	35.4%		
Failure to integrate enterprise with other enterprises having an advanced technological institution	F	49	115	9	130	67	3.14	1.379
	P	13.2 %	31.1%	2.4%	35.1%	18.1%		
Total grand mean and standard deviation							3.23	1.343

SDA – Strongly Disagree, D - Disagree, N – Neutral, A - Agree, SA - Strongly agree

Source: Field Survey, computed in SPSS, 2021

As condensed in Table 4.2.2 above, concerning technology, the mean score of 2.93 implies that the respondents were moderately agreed. Hence, 122 (33.0%) of the respondents

disagreed, 117 (31.6%) of respondents replied agree, 65 (17.6%) of respondents responded strongly agreed, 54 (14.6%) of respondents strongly agreed, and 12 (3.2%) of respondents also responded neutrally on the insufficient skills to handle and use new technology. The mean score of 3.00 implies that the respondents rated only at the agreed level on the statement say lack of appropriate machinery & equipment. Specifically, 174 (47.0%) of respondents were said agreed, 95 (25.7%) of the respondents rated disagreed, 54 (14.6%) were said strongly agreed, 38 (10.3%) of respondents answered as strongly disagree, and 9 (2.4%) respondents responded neutrally on the operating inadequate machinery and equipment.

Concerning unable to select proper new technology mean score of 3.14 implied that the respondent responded simply disagree. Then, 131 (35.4%), 123 (33.2%) of respondents revealed agreed, 67 (18.1%) of respondents disclosed strongly agree, 40(10.8%) of respondents strongly disagreed, and the remaining 9 (2.4%) of respondents respond as they were neutral on the question. With regarding the question, failure to control the existing technology in small and medium manufacturing enterprises. The mean score of 3.64 implied that respondents were moderately agreed. Hence, 131(35.4%) of respondents revealed strongly agreed, 108 (29.2%) of respondents responded neutrally, 74 (20.0%) of respondents simply agree, 44 (11.9%) of respondents strongly disagreed, and 13 (3.5%) of respondents responded as disagree. Concerning failure to the integration of enterprises with other institutions having advance technological, the mean score of 3.14 inferred that they have a moderate agreement. Specifically, 130 (35.1%) of respondents responded only agree, 115 (31.1%) of respondents revealed disagree, 67 (18.1%) of respondents respond as strongly agree, 49 (13.2%) of respondents responded as strongly disagree, and the remaining 9 (2.4%) of respondents disclosed neutral response on the question.

The total grand mean value of 3.23 and standard deviation of 1.379 indicated that they agreed on a moderate level of technology practices as it is playing relatively a better role in terms of the business transformation to succeed over various necessary changes and changing stages of the business process.

4.2.3. Finance

Table 4.2.3: Descriptive statistics summary result of finance on manufacturing SMEs

Questions		Responses					Mean	Std. Dev.
		1 SDA	2 D	3 N	4 A	5 SA		
Lack of access to finance	F		180	0	43	39	2.26	1.282
	P	108 29.2 %	48.6 %	0%	11.6%	10.5%		
Bookkeeping and accounting is not available	F	50	38	45	196	41	3.34	1.215
	P	13.5 %	10.3 %	12.2%	53%	11.1%		
High-interest rate	F	0	46	38	195	91	3.89	0.915
	P	0%	12.4 %	10.3%	37.6%	24.6%		
Shortage of working capital	F	0	1	139	84	146	4.01	0.885
	P	0%	0.3%	37.6%	22.7%	39.5%		
Insufficient availability of raw material	F	1	153	0	166	50	3.30	1.152
	P	0.3%	41.4 %	0%	44.9%	13.5%		
Unavailability of credit	F	2	137	0	188	43	3.36	1.113
	P	0.5 %	37.0 %	0%	46.65%	11.6%		
Access to finance is a major challenge that affects the growth of my business	F	4	5	135	43	183	4.07	1.004
	P	1.1%	1.4%	36.5%	11.6	49.3%		
Total grand mean and standard deviation							3.46	1.080

Source: Field Survey, computed in SPSS, 2021: SDA = Strongly Disagree, D = Disagree, N = Neutral, A = Agree, SA =strongly agree

As indicated in the above table 4.2.3, concerning finance issues, the mean score of 2.26 infers that the respondents had a low agreement. Then, 180 (48.6%) of the respondents answered disagree, 108 (29.2%) of respondents respond as strongly disagree, 43 (11.6%) of respondents replied simple agree, 39 (10.5%) of respondents replied as strongly agreed on a lack of access to finance. The mean score of 3.34 infers that the respondents rated an average agreement on the question, management accounting practice is not available. Hence, 196 (53%) of respondents agreed, 50 (13.5%) of the respondents responded as strongly disagreed,

45 (12.2%) of respondents responded as neutral, 41(11.1%) of respondents answered as strongly agree, and 38 (10.3%) of respondents disagreed. Concerning the imposition of a high-interest rate, the mean score of 3.89 implied that they said strong agree. Thus, 195 (37.6%) of respondents responded simply agreed, 91(24.6%) of respondents revealed strongly agree, 46 (12.4%) of respondents responded as disagree, and 38 (10.3%) of respondents disclosed the neutral on the question. About, shortage of working capital, the mean score of 4.01 implied that they said strongly agree. Because 146 (39.5%) of respondents responded strongly agree, 139 (37.6%) of respondents revealed neutral, 84 (22.7%) of respondents responded only agree, and 1(0.3%) of respondents disclosed strongly disagree on the question.

For insufficient availability of raw material, the mean score of 3.30 implied that they had a low agreement. Described that 166 (44.9%) of respondents responded only agree, 153 (41.4%) of respondents revealed disagree, 50 (13.5%) of respondents responded strongly agree, and 1(0.3%) of respondents disclosed strongly disagree on the issue.

The mean score of 3.36 infers that the respondents had an average agreement on the unavailability of credit, and 188 (50.8%) of respondents revealed agreed, 137 (37.0%) of the respondents respond as disagreed, 43 (11.6%) of respondents answered strongly agree, and 2 (0.5%) of respondents strongly disagreed.

Finally, the mean score of 4.07 infers that the respondents said strongly agree, and 183 (49.3%) of the respondents answered strongly agree, 135 (36.5%) of them were responded neutral, 43 (11.6%) of respondents responded only agree, 5 (1.4%) of responded as disagree, and 4 (1.1%) of respondents responded strongly disagree with the question of access to finance is a challenge that influences the growth of investor business.

The total grand mean value of 3.46 and standard deviation of 1.080 on finance indicated that respondents agreed on its moderate contribution.

4.2.4 Training

Table 4.2.4: Descriptive statistics summary result of training on manufacturing SMEs

Questions		Responses					Mean	Std. dev
		1 SDA	2 D	3 N	4 A	5 SA		
Inadequate access to training	F	44	155	33	103	35	2.81	1.233
	P	11.9%	41.9%	8.9%	27.8%	9.5%		
Lack of management accounting practice training	F	123	52	5	147	43	2.82	1.519
	P	33.2%	14.1%	1.4%	39.7%	11.6%		
Lack of updated business strategy and management training	F		139	6	140	85	3.50	1.200
	P		37.6%	1.62%	37.8%	23.0%		
Lack of the business transformation skill and assimilation of training	F	23	132	26	102	87	3.26	1.325
	P	6.2%	35.2%	7.0%	27.6%	23.5%		
Lack of manufacturing enterprise education	F	29	116	9	159	57	3.27	1.267
	P	7.8%	31.4%	2.43%	43.0%	15.4%		
Total grand mean and standard deviation							3.13	1.308

SDA = Strongly Disagree, D = Disagree, N =Neutral, A =Agree, SA = strongly agree

Source: Field Survey, SPSS output, 2021

As it is described in the above table 4.2.4, concerning training, the mean score of 2.81 implies that the respondents had a moderate agreement. Since 155 (41.9%) of the respondents disagree, 103 (27.8%) of respondents agreed, 44 (11.9%) of respondents strongly disagree, 35 (9.5%) of respondents responded strongly agree, and 33 (8.9%) of respondents also answered neutral response on inadequate access to training. The mean score of 2.82 infers that the respondents had an average agreement on the lack of management accounting practice training. Hence, 147 (39.7%) of respondents responded only agree, 123 (33.2%) of the respondents strongly disagreed, 52 (14.1%) of respondents disagreed, 43 (11.6%) of respondents answered as strongly agree, and 5 (1.4%) of respondents were neutral response on it.

Concerning the lack of update of business strategy and management training, the mean score of 3.57 implied that the respondents had a moderate agreement. Thus, 127 (34.3%) of respondents revealed strongly agree, 112 (30.3%) of respondents revealed simple agree, 52

(14.1%) of respondents disclosed strongly disagree, and 27 (7.3%) of respondents responded neutrally on the question. With regarding, lack of business transformation and assimilation training in small and medium manufacturing enterprises, the mean score of 3.26 implied that moderate agreement. Specifically, 132 (35.7%) of respondents revealed disagreed, 102 (27.6%) of respondents respond agreed, 87 (23.5%) of respondents strongly agree, 26 (7.0%) of respondents were neutral response, and 23 (6.2%) of respondents respond strongly disagree on the selected question.

Finally, to lack of education, the mean score of 3.27 implied that had a moderate agreement, and 159 (43.0%) of respondents responded only agree, 116 (31.4%) of respondents revealed disagree, 57 (15.4%) of respondents responded strongly agree, 29 (7.8%) of respondents responded strongly disagree, and the remaining 9 (2.4%) of respondents disclosed neutral agreement on the question.

The total grand mean value of 3.13 and standard deviation of 1.308 indicated that training had a foundation effect on the transformation of small and medium manufacturing enterprises to various stages of changing business processes.

4.2.5 Governmental Support

Table 4.2.5: Descriptive statistics summary result of governmental support on manufacturing small and medium-sized enterprises

Questions		Responses					Mean	Std. Dev
		1 SDA	2 D	3 N	4 A	5 SA		
Lack of government support	F	36	153	18	111	52	2.97	1.292
The tax levied on my business is not reasonable	P	9.7%	41.4%	4.9%	30.0	14.1%	3.40	1.284
	F	38	85	0	186	61		
Inaccessibility of policymakers that represent business entrepreneurs	P	10.3%	23.0%	0%	50.3%	16.5%	2.75	1.082
	F	45	136	59	127	3		
Political decision influence on business enterprises	P	12.2%	36.8%	15.9%	34.3%	0.8	4.31	0.976
	F	20	4	4	154	188		
	P	5.4%	1.1%	1.1%	41.6%	50.8%		
Accessible information on government regulations that are relevant to my business	F	17	18	58	153	124	3.94	1.049
	P	4.6%	4.9%	15.7%	41.4%	33.5%		
Total grand mean and standard deviation							3.47	1.137

SDA = Strongly Disagree, D = Disagree, N =Neutral, A =Agree, SA = strongly agree

Source: Field Survey, SPSS output, 2021

As it is described in the above table 4.2.5, concerning government support, the mean score of 2.97 implied that the respondents said a moderately agree, and in detail 153 (41.4%) of the respondents disagree, 111(30.0%) of respondents agreed, 52 (14.1%) of respondents strongly agreed, 36 (9.7%) of respondents responded strongly disagree, and 18 (4.9%) of respondents also answered neutrally on lack of government support to small and medium-sized manufacturing enterprises. The mean score of 3.40 implied that the respondents had an average agreement on the tax levied on my business is not reasonable, and 186 (50.3%) of respondents responded only agree, 85 (23.0%) of the respondents responded disagreed, 61 (16.5%) of respondents replied agreed, and 38(10.3%) of respondents answered as strongly disagree on it.

Concerning, inaccessibility of participations of business entrepreneurs on policymakers, the mean score of 2.75 implied that the respondents had a moderate agreement, and 136 (36.8%) of respondents revealed only disagree, 127 (34.3%) of respondents revealed simple agree, 59(15.9%) of respondents disclosed neutral, 45 (12.2%) of respondents respond strongly disagree, and the remaining 3(0.8%) of respondents responded strongly agree on the question. With regarding, political decision influence on business enterprises in small and medium manufacturing enterprises, the mean score of 4.31 implied that they said strongly agree, and 188 (50.8.7%) of respondents revealed strongly agree, 154(41.6%) of respondents respond agreed, 20 (5.4%) of respondents replied strongly disagree, 4 (1.1%) of respondents disagreed and neutral responses on the selected question.

Finally, concerning accessible information on government regulations that are relevant to my business, the mean score of 3.94 implied that they had replied a strongly agree and 153 (41.4%) of respondents responded only agree, 124 (33.5%) of respondents revealed strongly agree, 58 (15.4%) of respondents responded neutral, 18 (4.9%) of respondents replied disagree and the remaining 17 (4.6%) of respondents disclosed strongly disagree on the question.

The total grand mean value of 3.47 and standard deviation of 1.137 indicated that the government support had a moderate contribution in the business transformation of government-supported small and medium-sized manufacturing enterprises in Addis Ababa City.

4.3. Descriptive analysis of Business Transformation Process of Small and Medium manufacturing Enterprises (dependent variable)

Table 4.3: Descriptive statistics result of Business Transformation Process of Small and Medium manufacturing Enterprises

Questions		Responses					Mean	Std. dev
		1 SDA	2 D	3 N	4 A	5 SA		
Lack of strategic business transformation process principle in SMEs	F	9	84	1	175	101	3.74	1.456
	P	2.4%	22.7%	0.3%	47.3%	27.3%		
Lack of sufficient management accounting practitioners in the business transformation process of SMEs	F	26	41	0	201	101	3.84	1.153
	P	7.0%	11.1%	0%	54.3%	27.3%		
There are no empowering individuals to make decisions themselves.	F	6	139	5	140	80	3.48	1.200
	P	1.62%	37.6%	1.35	37.8%	21.62		
Inadequately use of modern technology in business transformation of SMEs	F	2	69	137	161	1	3.24	0.772
	P	0.5	18.6%	37.0%	43.5%	0.3%		
Not have a relationship with the other stakeholders by using websites and social media sites to transform SMEs	F	1	174	1	146	48	3.18	1.169
	P	0.3%	47.0%	0.3%	39.5%	13.00		
Do not make a promotion that people access to information and knowledge about SMEs.	F	80	113	4	103	70	2.92	1.485
	P	21.6%	30.5%	1.1%	27.8%	18.9%		
Lack of proper control of the existing capital in SMEs	F	19	92	1	200	58	3.00	1.63
	P	5.1%	24.9%	0.3%	54.1%	15.7%		
Do not obtain finance for improvement of SMEs	F	45	137	42	145	1	2.78	1.103
	P	12.2%	37.0%	11.4%	39.2%	0.3%		
Lack of talented manpower in SMEs	F	1	79	158	132	0	3.14	0.75
	P	0.3%	21.4%	42.7%	35.7%	0%		
There is no training policy concerning training that helped to transform SMEs.	F	1	168	18	181	2	3.04	0.988
	P	0.3%	45.4%	4.9%	48.9%	0.5%		
The government does not design and implementing	F	1	220	54	93	2	2.66	0.875

various support instruments to help enterprises meet the business transformation process of SMEs.	P	0.3%	59.5%	14.6%	25.1%	0.5%		
The government does not support them when it commits itself to assist the SMEs through its policies and institutions.	F	1	100	1	193	75	3.65	1.092
The government does not assist producers or distributors in a product to prevent the decline of those SMEs.	P	0.3%	27.0	0.3%	52.2%	20.3%		
	F	1	1	37	196	135	4.25	0.662
	P	0.3%	0.3%	10.0%	53.0%	36.5%		
Total grand mean and standard deviation							3.30	1.103

SDA = Strongly Disagree, D = Disagree, N =Neutral, A =Agree, SA = strongly agree

Source: Field Survey, SPSS output, 2021

As depicted in the above table 4.3, the mean score of 3.74 implies that the respondents replied strongly agree that there is a lack of strategic principles on the business transformation process on small and medium fabricating enterprises in Addis Ababa. Thus, 175 (47.3%) of the respondents responded simple agree, 101 (27.3%) of respondents revealed strongly agreed, 84 (22.7%) of respondents replied disagree, 9 (2.4%) of respondents responded strongly disagree, and 1(0.3%) of respondents also answered neutrally.

Concerning lack of sufficient management accounting practitioners in the business transformation process of small and medium enterprises, the mean score of 3.84 implied that the respondents replied strongly agree and 201 (54.3%) of respondents revealed only agree, 101 (27.3%) of respondents revealed strongly agree, 41 (11.1%) of respondents disclosed disagree, and the remaining 26 (7.0%) of respondents responded strongly disagree for the question.

Concerning, there is no empowering individual to make the decision themselves, the mean score of 4.19 implied that they had replied a strongly agree, and 194 (52.4%) of respondents responded only agree, 125 (33.8%) of respondents revealed strongly agree, 50 (13.5%) of respondents responded neutral, the remaining 1 (0.3%) of respondent disclosed strongly disagree on the question. Regarding inadequately using modern technology for business transformation of small and medium fabricating enterprises, the mean score of 3.24 inferred that they had a moderate agreement. Hence, 161(43.5%) of respondents revealed only agree, 137 (37.0%) of respondents responded neutral, 69 (18.6%) of respondents replied they disagreed, 2 (0.5%) of respondents revealed strongly disagree, and 1 (0.3%) of the respondent accepted strongly agree on the question.

The mean score of 3.18 infers that the respondents replied on average agreement on the statement, have not relationship with the other stakeholders by using websites and social

media sites to transform manufacturing SMEs. Specifically, 174 (47.0%) of respondents responded only disagree, 146 (39.5%) of the respondents responded simple agreed, 48 (13.0%) of respondents replied strongly agree, and 1(0.3%) of the respondent was said neutrally agreed. As described in the table regarding making a promotion that people access information and knowledge about small and medium fabricating enterprises, the mean score of 2.92 implied that the respondents had a moderate agreement. This has resulted from 113 (30.5%) of respondents responded disagreed, 103 (27.8%) of respondents revealed agreed, 80 (21.6%) of respondents responded as strongly disagree, 70 (18.9%) of respondents disclosed strongly agree, and the remaining 4 (1.1%) of respondents also revealed neutral.

The mean score of 3.5 indicated that the respondents had agreed moderately on the lack of proper control of the existing capital in fabricating SMEs. Thus, 200 (54.1%) of respondents responded agreed, 92(24.9%) of respondents disclosed disagree, 58(15.7%) of respondents revealed strongly agree, 19(5.1%) of respondents strongly disagreed, and 1(0.3%) of respondents unveiled neutral.

The mean score of 2.78 implied that the respondents had a moderate agreement on the issue that does not obtain finance for the improvement of manufacturing SMEs. That is 145 (39.2%) of respondents responded only agree, 137 (37.0%) of respondents unveiled disagree, 45(12.2%) of respondents disclosed strongly disagree, 42 (11.4%) of respondents revealed neutral, and the remaining 1(0.3%) of respondent answered strongly agree.

Concerning lack of talented employees in the business transformation process of manufacturing SMEs, the mean score of 3.14 implied that the respondents had a moderate agreement and 158 (42.7%) of respondents revealed neutral, 132 (35.7%) of respondents replied only agree, 79 (21.4%) of respondents disclosed disagree and the remaining 1(0.3%) of respondents respond strongly disagree on the question.

For there has no appropriate policy concerning the skill training for an employee helps to transform small and medium manufacturing enterprises, the mean score of 3.04 expressed that the respondents had a moderate agreement. Besides 181(48.9%) of respondents unveiled agree response, 168(45.4%) of respondents respond as disagree, 18 (4.9%) of respondents revealed neutral, 2 (0.5%) of respondents disclosed strongly agree and 1(0.3%) of respondents responded strongly disagree on it. The government does not design and implementing various support instruments to help enterprises to meet the business transformation process of manufacturing SMEs, mean score of 2.66 implied that the respondents agreed on a moderate level. Additionally, 220 (59.5%) of respondents revealed that disagree, 93(25, 1%) of respondents disclosed agree, 54(14.6%) of respondents unveiled

neutral, 2(0.5%) of respondents described strongly agree, and 1(0.5) of respondent replied strongly disagree.

The mean score of 3.65 indicates that the respondents responded strongly agree with the question, the government does not support and practically does not commit itself to assist manufacturing SMEs through its policies and institutions. Further, 193 (52.2%) of respondents respond agreed, 100(27.0%) of respondents disclosed as disagree, 75 (20.3%) of respondents revealed strongly agree, 1(0.3%) of the respondent said strongly disagree, and 1(0.3%) of respondents unveiled neutral.

At last, about government does not provide help to makers or merchants in an item to anticipate the decay of those products of manufacturing SMEs, the mean score of 4.25 implied that they replied a strongly agree. Besides, 196 (53.0%) of respondents responded only agree, 135 (36.5%) of respondents revealed strongly agree, 37(10.0%) of respondents responded neutral, 1(0.3%) of respondents responded as disagree, and the remaining 1 (0.3%) of respondent disclosed strongly disagree on the question.

The total grand mean value of 3.30 and standard deviation of 1.103 indicated that the business transformation process had a moderate contribution to the government-supported small and medium manufacturing enterprise found in Addis Ababa City.

4.4. Inferential analysis Pearson correlation

According to Schober, Boer, & Schwartz, (2018) print out a relationship could be a degree of a monotonic association between two factors. Relationship investigation may be a strategy for deciding the connection between two different variables. This study has tested relationship analysis which investigates the strength of the relationships between factors (management, finance, technology, training and government) and the business transformation process of small and medium manufacturing enterprises. To evaluate the type and degree of factors relationships of study Pearson correlation analysis is used to describe and analyze the data collected.

The degree and direction of links between the variables are described by the correlation coefficient outputs. A Pearson correlation could be a degree of a straight association between two recurrently distributed arbitrary variables Schober, Boer, & Schwartz, (2018). The relationships among the factors that have gotten through an analysis of the Pearson product-moment relationship coefficient "r". The value of Pearson product-moment relationship coefficient "r" normally varies between -1 to 1. The coefficient (r) indicated that the magnitude and direction variables relationship. The sign indicates whether there is a positive correlation like one variable increases, the other also increases or negative correlation (as one variable increases, the decrease), and it also shows the intensity of the relationship.

Schober, Boer, & Schwartz, (2018) stated that correlation coefficients of .00 to 0.10 are considered Negligible correlation, a correlation coefficient of .10 to 0.39 is considered as weak correlation, a correlation coefficient of 0.40 to 0.69 is considered moderate correlation, and correlation coefficient of 0.70 to 0.89 is considered substantial correlation and a correlation coefficient of 0.90-1.0 is a very strong correlation. To do so, the relationship between the five factors (like management, finance, technology, training and government support) and the business transformation process of small and medium manufacturing enterprises. Pearson correlation has computed in the table below. Table 4.8 below clearly shows that the relationship between two variables will be negligible, low, moderate, substantial, or very strong.

Table 4.4: Correlation Coefficient Intervals

Correlation coefficient(r)	Interpretation of correlation
From 0.00 up to 0.10	Negligible correlation
From 0.10 up to 0.39	Weak correlation
From 0.40 up to 0.69	Moderate correlation
From0.70 upto0.89	Substantial correlation
From 0.90 -1.00	Substantial correlation

Source: Schober, P., Boer, C., & Schwartz, L. (2018) .Correlation coefficients: Appropriate use and interpretation. *Journal of Anesthesia & Analgesia*, Vol. 126 (5).

Variables	Correlations					
	SMMEs	Mgmt.	Technolog y	Finance	Gov’t support	Training
SMMEs	-					
Mgmt.	.872**	-				
Technology	.889**	.918**	-			
Finance	.888**	.918**	.949**	-		
Government	.473**	.450**	.575**	.496**	-	
Training	.873**	.929**	.958**	.915**	.545**	-

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

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

The confidence interval of the difference is 95% (i.e., $p \leq 0.05$). A p-value less than $\alpha = 0.05$ indicates that there is enough statistical evidence to reject the assumption test mean values of the two independent variables are equal, but if $p > 0.05$, there is no adequate statistical

evidence to reject the assumption. The above table indicated all questions and elements regarding the relationship of all the five factors that are highly significant on the radical business transformation of the small and medium manufacturing enterprises because of all of this $p\text{-value} = 0.01$. As depicted in the factors of executive management, technology, finance, training and government support factors were substantially significant to the business transformation process of government-supported small and medium manufacturing enterprises at the significance level of 0.01.

Apart from this, management, technology, finance, training and government support practices have positively correlated with the business transformation process of small and medium manufacturing enterprises. As the correlation analysis result indicates in the above table, a technology considered for this survey had almost the best positive relationship with manufacturing SMEs having a correlation coefficient of $r = 0.889$ at the significance level of 0.000 ($\text{sig} = 0.000$). As correlation analysis result indicated in the above table next to technology, finance had a substantial positive relationship with manufacturing SMEs having an $r = 0.888$ correlation coefficient at the significance level of 0.000 ($\text{sig} = 0.000$).

As the correlation analysis result indicated in the above table, Training and management also have a substantial positive relationship level with manufacturing SMEs having a correlation coefficient of $r = 0.873$ and $r = 0.872$ at the significance level of 0.000 ($\text{sig} = 0.000$). Further, as the correlation analysis result indicated in the above table, government support had also the least positive relationship with manufacturing SMEs having a correlation coefficient of $r = 0.473$ at the significance level of 0.000 ($\text{sig} = 0.000$).

4.5. Assumptions for Multiple Linear Regression Analysis

As Pallant (2005) stated the multiple linear regression investigation coefficients indicate that the relationships between one dependent variable and several independent variables. Multiple regression also tells how much of the change within the dependent variable can be explained by free factors. Multiple linear regression models require that a few basic assumptions be fulfilled to apply the model and set up validity. Inferences about the theory are only valid if the result of the assumptions test result is not violated.

Linear regression analysis is a systematic method to investigate the effect of one or more predictor variables on the dependent variable. That is why we can say how effectively one or more independent variables will predict the value of a dependent variable. Specifically, a multiple linear regression analysis is necessary to investigate the effect of individual and overall selected determinant factors on small and medium manufacturing enterprises clearly stated in the hypothesis. In this study, multiple linear regression investigations have to be confirmed whether the required preliminary assumptions that the data analysis coefficients

fulfilled in the reliability and validity results. The following assumptions of multiple linear regressions indicate the step by step test results of SPSS version 24.

4.5.1. Linearity Assumption Test

The linearity assumption test defines the dependent variable linear function of the predictors (independent) variable (Balance, 2004). If the data for the test result has a normal distribution, then the data points have to be close to the diagonal line. The linearity assumption test result is indicated by the scatterplots resulted from the relationships between the independent and the dependent variables. If the linearity test has a significance value smaller than 0.05, this indicates that there is a linear relationship. Alternatively, a graphical approach is used to observe plots for linearity relationships. The data points are being arranged in the shape of oval display linearity. Linearity is the direct relationship between free and dependent variables in nature. Looking at the test assumptions test result of scatterplots the relationships between the independent and dependent variables are linear as shown in the figure below.

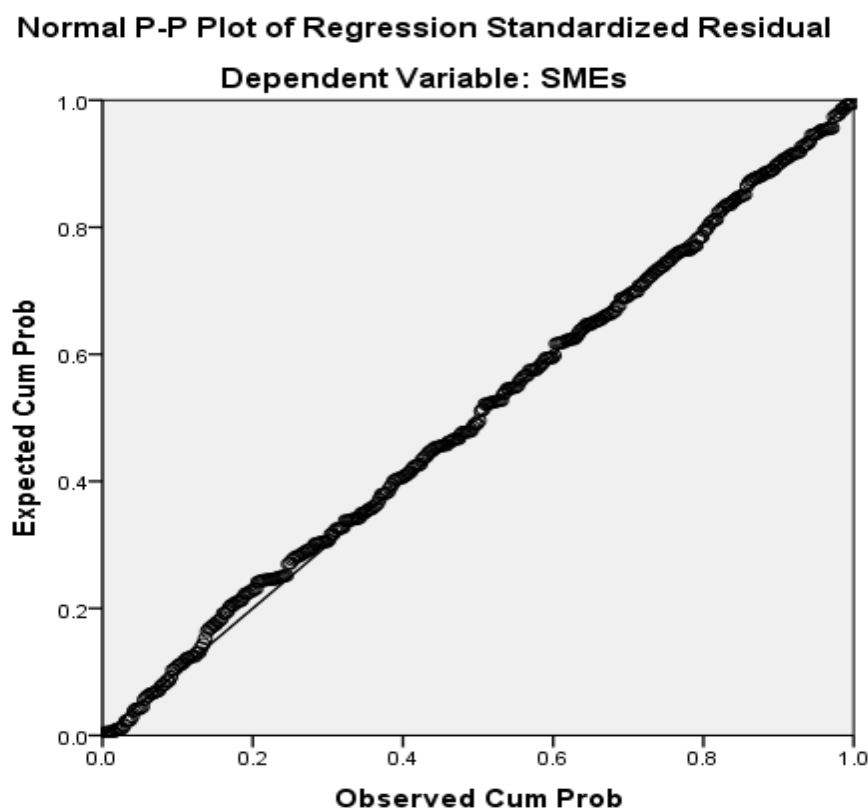


Figure 4.5.1. Linearity Assumption test

4.5.2. Normality Assumption Test

Normality is the measurement of a dependent variable as a continuous variable normally distributed. The normality assumption test result is used to describe the visual figure of the

test result as a symmetrical, bell-shaped curve, which has a large number of frequency of scores around the middle of distributions combined with fewer number frequencies towards the extremes. A normality assumption test can confirm whether the error terms have a normal distribution. Thus, the residuals are expected to follow the normal frequency distribution when hypothesis tests and confidence bounds have been utilized. The residuals are expected to take after the typical probability distribution with zero mean and consistent fluctuation. This could be assessed by employing a normal probability plot of the residuals. Therefore, the normality test for the data used in this study disclosed by the following histogram that we could see the error terms are normally distributed.

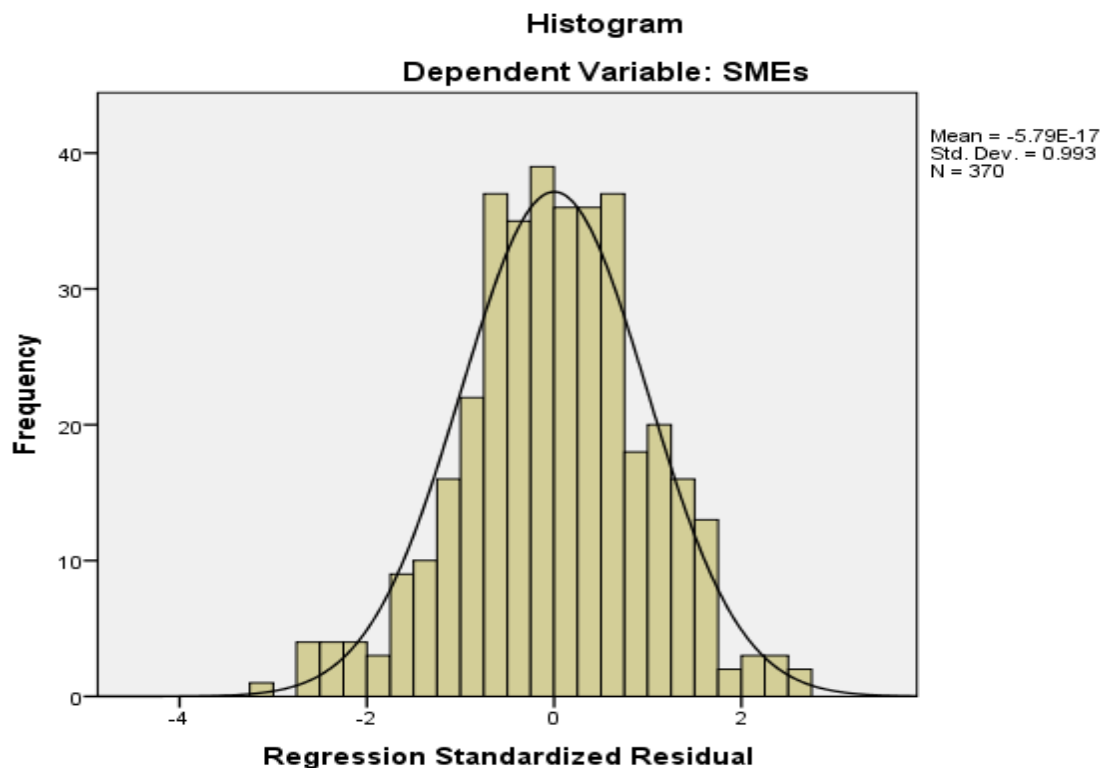


Figure 4.5. Normality Assumption Test

4.5.3. Multicollinearity Assumption Test

Multicollinearity refers to the situation in which the independent/predictor variables are highly correlated with each other. One assumption employs in multiple linear regression is to investigate whether the regressions between the independent variables have higher serious multicollinearity (Burns, 2008). This may lead us to the paradoxical effect whereby the regression model fits the data well, but none of the predictor variables has a significant impact in predicting the dependent variable. In this study, multicollinearity has been checked with tolerance and VIF statistics. Andy (2006) suggests that a tolerance value less than 0.1 designates a serious collinearity problem. Burns (2008) also state that a VIF value greater than 10 also concerns a serious collinearity problem. Field (2009) also underlines that values

for "tolerance" below 0.1 indicate serious problems although several statisticians suggest that values for "tolerance" below 0.2 are worthy of concern. Multicollinearity is the existence of higher linear relationships among the set of independent variables. The term multicollinearity could be an issue when any R^2 between that predictor and the remaining predictors is exceptionally high. Upon request, SPSS will provide you with two transformations of the squared different correlation coefficients. One is tolerance, which is essentially 1 minus that R^2 . The second is VIF, the variance inflation figure, which is the reciprocal of the tolerance. Exceptionally, low values of tolerance (.1 or less) show a problem. This is often carried out utilizing the test examination comes about of the Variable Inflation Factor (VIF) insights. Small inter-correlations among the free factors are communicated with $VIF \approx 1$. Be that as it may, $VIF > 10$ depicts collinearity as a problem. $VIF = 1 / \text{tolerance}$, where $\text{tolerance} = 1 - R^2$, R^2 is the coefficient of determination. In addition, correlation analysis is conducted to examine multicollinearity problems.

As indicated in Table 4.5.3 below included independent variables such as management, finance, technology, training and government have tolerance of more than 0.1 and a VIF value of less than 10 indicates that there is no serious problem of multicollinearity in the independent variables.

Table 4.5.3: Result of Multi-collinearity test

Coefficients		
Model	Collinearity Statistics	
	Tolerance	VIF
Management	.249	6.716
Technology	.421	2.374
Finance	.242	7.032
Training	.498	2.009
Government Support	.672	1.489
a. Dependent Variable: Small and Medium Manufacturing Enterprises		

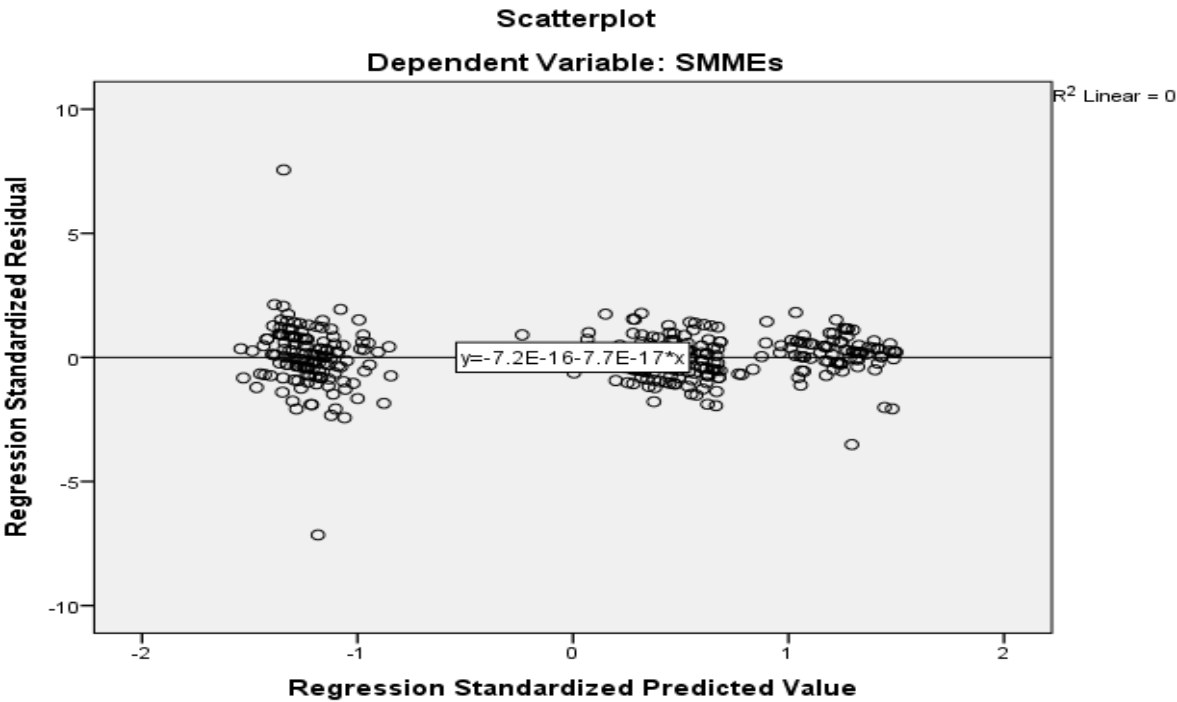
Source: Own Survey, computed in SPSS, 2021

4.5.4. Homoscedasticity Assumption Test

The presumption of homoscedasticity refers to having equal variance overall levels of errors in the independent factors implies that the errors are spread out between the independent factors consistently. In this case, typical evidence could be observed if the variances around

the regression line are the same for all values of the predictors' variables. Homoscedasticity is an assumption that requires the degree of random noise in the dependent variable to remain the same regardless of the values of the independent variables. Homoscedasticity can be tested using a visual examination of a plot of the standard residuals by the regression standard predicted value. Ideally, residuals are randomly scattered plots around zero (the horizontal line) in a pattern of observable even distribution. But, heteroscedasticity indicates when the scatter plots are not even; hence fan and butterfly-like shapes of test result visuals are common patterns of assumption violation.

When we assess the assumption of homoscedasticity, randomly scattered plots created in SPSS analysis around zero when standard residuals versus standard predicted values indicated that there is no heteroscedasticity problem as depicted in the figure below.



Source: Own Survey, computed in SPSS, 2021

Figure 4.5.4: Homoscedasticity Assumption Test

4.5.5. Independent of Residuals Assumption Test

This assumption test is the same as saying that the observations (individual data points) to be independent of one another (uncorrelated). The technique Durbin-Watson statistic is used to test for the independence of residuals. The value of the Durbin-Watson statistic ranges from 0 to 4. As a general rule, the residuals are independent (not correlated) if the Durbin-Watson value is approximately closer to 2, and values below 1 and above 3 are problems and causes for concern and may render the analysis invalid.

To test for the existence of auto-correlation, the Durbin Watson test is employed. This module tests correlations between errors and assumes that the error terms are stationary and normally distributed with a mean zero. In this case, the Durbin-Watson statistics showed (Durbin-Watson = 2.219). Hence, the result approximately approaches 2, and that points between 1 and 3. Therefore, the independence of the residuals assumption is satisfied.

Table 4.5.5: Independent Residuals Assumption test

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate	Durbin-Watson
1	.844 ^a	.713	.709	.457	2.219
a. Predictors: (Constant), Management, Finance, Technology, Training, Government					
b. Dependent Variable: Small and Medium Manufacturing enterprises					

Source: Own Survey, computed in SPSS, 2021

4.5.6. Model Summary

As depicted in the table below a model summary, the "R" column represents the multiple correlation coefficient values of R. R-value of 0.844 indicates a substantial correlation between fabricating SMEs and the five factors such as management, finance, technology, training and government which shows a good level of prediction. The R2 value (moreover known as the coefficient of determination) is the extent of variance within the dependent variable that can be clarified by the independent variables, as appeared within the "R Square" column.

As able to see in the table, the R2 value of 0.713 demonstrates that 71.3% of the variation within the business transformation of small and medium-sized manufacturing enterprises can be explained by the five variables within the model. The remaining 28.7 % variation is explained by stochastic error term (e) meaning that 28.7% of manufacturing SMEs change explained by factors that are not explained within the model.

Table 4.5.6 Model Summary

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.844	.713	.709	.457
a. Predictors: (Constant), Government, Training, Management, Finance, Technology				
b. Dependent Variable: Small and Medium Manufacturing enterprises				

Source: Own Survey, computed in SPSS, 2021

After the data has been checked for the above-required assumptions and the study analysis confirmed that it has met all these assumptions, multiple regression test analysis had carried out to determine how well the regression model fits the data (model summary). Then the independent variables statistically significantly predict the dependent variable (ANOVA) and statistical significance of each independent variable (regression coefficients).

4.5.7. ANOVA Model Fit

ANOVA analysis is used to compare the mean scores of more than two variables. It is also called analysis of variance for it compares the variance between variables and tests whether the overall regression model is a good fit for the data. As depicted in table 4.5.7, shown below that the value is statistically significant at $F(5,364) = 180.877, (P < 0.01)$ and it can be said that there is a relationship between small and medium-sized manufacturing enterprises' business transformation process with its free factors in Addis Ababa city administration.

Table 4.5.7: ANOVA model fit

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	100.810	5	21.621	180.877	.000
	Residual	35.121	364	11.954		
	Total	151.621	369			

a. Dependent Variable: Small and Medium Manufacturing Enterprises

b. Predictors: (Constant), Government, Management, Training, Technology, finance

Source: Own Survey, computed in SPSS, 2021

4.5.8. Multiple Linear Regression Coefficients

The coefficient of statistical analysis of multilinear regression shown in table 4.5.8 below shown in the model of business transformation for manufacturing SMEs = .418 for mgmt. + .435 for finance + .073 for technology +.018 for training +0.072 for government support + .859 for constant indicated that business transformation of manufacturing SMEs increase by .418 when the management variable goes up by one, increase by .435 when the finance variable goes up by one, then increased by .073 when the technology variable goes up by one, increase by .073 when the training variable goes up by one and increased by .072 when the government support variable goes up by one. On the other hand, the independent variable or model increase by .859 when all the five variables are zero. The null (default) hypothesis result comes from the independent variables in the model that always have 0 coefficient or no effect on the model and needed to be to know whether the null hypothesis is to be accepted or rejected.

The SPSS version 24 tool analysis outputs are produced compared with the result of t-statistic in the t-distribution and the P-values. Therefore, the study considered the significant level of the P-value is $\leq$ to 0.05, and 95% confidence interval of the t-distribution closer than the mean of t-value of the coefficient calculated. Generally, a P-value of 5% or less is an accepted test value to reject the null hypothesis and work with the alternative proposed. That is to mean with a P-value of .05, only a 5% chance of defect come up with a random distribution and a 95% confidence level chance of accepted result with the assumption of a correctly specified model

Table 4.5.8: Regression coefficients

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.859	.181	-	5.127	.000
Management	.418	.074	.413	5.670	.000
Finance	.435	.082	.395	5.302	.000
Technology	.073	.060	.152	1.207	.001
Training	.018	.065	.115	.124	.005
Government	.072	.064	.039	1.137	.001

a. Dependent Variable: SMEs

Source: Own Survey, computed in SPSS, 2021

Further, in the 4.5.8 table above multiple linear regression coefficients shown that the unstandardized and standardized output coefficients are explained under the multiple linear models as follows:

4.5.8.1 Unstandardized Coefficients

Unstandardized coefficient indicates that alter within the dependent variable is a unit alteration within the free variable. But, under this analysis, the independent and dependent variables are not comparable to each other in terms of their impact on the dependent variable. As stated in chapter three, the study of the statistical analysis method is used for the following multiple regression model to establish the statistical significance of the independent variables on the dependent variable.

$$Y_i = \alpha + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + \beta_4 X_{4i} + \beta_5 X_{5i} + \epsilon_i$$

Where,

Y_i = Dependent variable (Business transformation process of small and medium manufacturing enterprises).

α = constant

β = (Beta value) coefficient of slope of regression model

X_1 = Management

X_2 = Technology

X_3 = Finance

X_4 = Training

X_5 = Government support

ϵ_i = error term

In the model shown above, α = Constant, and β_1 to β_5 = Regression coefficients represent the mean alter within the dependent variable for one unit of change within the independent variable while holding other variables in the model constant and $\square$ = Error term which captures the unexplained variation in the model.

Manufacturing SMEs $i = 0.859 + 0.151X_1 + 0.435X_2 + 0.418X_3 + 0.018X_4 + 0.072X_5 + \epsilon_i$,

Further, the constant value ($\alpha = 0.859$) shows that manufacturing SMEs of Addis Ababa City would be 0.859 if all selected variables management, finance, technology, training and government in the model remained zero. On the other hand, a beta coefficient of 0.418, 0.435, 0.073, 0.18 and 0.072 indicates that, if there is one unit increase in management, finance, technology, training and government support respectively leads to an increase in the whole business transformation of small and medium manufacturing enterprises in Addis Ababa city by 41.8%, 43.5%, 7.3%, 1.8% and 7.2% for management, finance, technology, training and government support respectively. Whereas, the Error term ($\square$) estimate is assumed to be zero.

4.5.8.2 Standardized Coefficients

The analysis of standardized coefficients is useful to identify which independent variable is more important than the others in the statistical analysis of multilinear regression output. They are used to compare the impact of any independent variable on the dependent variable. Therefore, the strength of each independent (predictor) variable impacts the criterion (dependent) variable inquired by a standard Beta coefficient. Therefore, the multilinear regression coefficient explains the sum of the change in the dependent variable caused by a unit of change in the independent variable. Thus, as indicated in the multilinear regression in the above table, management is the most contributing factor in the prediction of manufacturing SMEs with the Beta value of executive management ($B=.413$), followed by

finance (B=.395), technology (B=.152), training (B=.115) and government (B=.039) respectively from highest to the lowest that the variables are making a significant contribution to the prediction of the business transformation process of manufacturing SMEs. As it can be seen from the multilinear regression table, all selected factors like management, technology, finance, training and government had statistically significant contributions and effects to the business transformation process of manufacturing SMEs at 95% confidence level, since their p-values are .000, .000, .001, 0.005 and .001 respectively and the significance level for them are less than 0.05 ($p < 0.05$).

In general, management is the most and government support is the lowest statistically significant independent variable for the contribution to the business transformation process of small and medium manufacturing enterprises with a p-value of .000 and 0.001 respectively.

4.6. Testing Hypothesis

4.6.1 Testing Hypothesis with Regression analysis

Frequently, the hypothesis has shown that the researcher's attempt to explain the phenomenon of interest. These hypotheses are the researcher's effort to clarify the considered phenomenon, in which clarification should include the result of prediction around the variables considered. These prediction results are found by the scientific procedure of gathering and examining information, and the theories can be either backed or refuted (adulterated) based on the information collected from the examination conducted. The five hypotheses driven from the selected factors are formulated and tested based on the factors that have developed earlier in chapter two.

Consequently, based on the Summary result of multilinear regression analysis output of Beta-coefficients, t-test result, P-value, model summary and ANOVA model fit tests are considered to test the null hypothesis of this study:

Table 4.6.1: Result of Regression Analysis output coefficient

Model	Beta	T-test	Statistical significance
1 (Constant)	-	5.127	.000
Executive Management	.418	5.670	.000
Technology	.073	1.207	.001
Finance	.435	5.302	.000
Training	.018	.124	.005
Government support	.072	1.137	.001

a. Dependent Variable: business transformation success of manufacturing SMEs

Source: Own Survey, computed in SPSS, 2021

4.6.2. Testing Hypothesis with regression Results analysis

Testing Hypothesis 1

H01: Executive management has no a significant positive effect on the business transformation process of manufacturing SMEs in Addis.

H1: Executive management has a significant positive effect on the business transformation process of manufacturing SMEs in Addis.

The previous regression analysis result table is shown that the executive management as a single factor coefficients indicated as $\beta = 0.418$, $P < 0.01$, T-test .5.670 at Sig.000 implied an increase of 41.8% business manufacturing SMEs is due to the change of one unit in the management factor, assuming all other variables are constant. Ttherefore, the alternative hypothesis H1 is accepted.

Testing Hypothesis 2

H02: Technology has no a significant positive effect on the business transformation process of manufacturing SMEs in Addis

H2: Technology has a significant positive effect on the business transformation process of manufacturing SMEs in Addis.

The previous regression analysis result table is shown that the executive management as a single factor coefficient indicated as $\beta = 0.073$, $P < 0.01$, T-test 1.207 at Sig.001 implied an increase of 7.3 % business transformation of manufacturing SMEs is due to the change of one unit in the management factor, assuming all other variables are constant. Ttherefore, the alternative hypothesis H1 is accepted.

Testing Hypothesis 3

H03: Finance has no a significant positive effect on the business transformation process of manufacturing SMEs in Addis.

H3: Finance has a significant positive effect on the business transformation process of manufacturing SMEs in Addis.

The previous regression analysis result table is shown that the executive management as a single factor coefficient indicated as $\beta = 0.435$, $P < 0.01$, T-test .5.302 at Sig.000 implied an increase of 43.5 % business transformation of manufacturing SMEs is due to the change of one unit in the management factor, assuming all other variables are constant. Ttherefore, the alternative hypothesis H1 is accepted.

Testing Hypothesis 4

H04: Training has no a significant positive effect on the business transformation process of manufacturing SMEs in Addis.

H4: Training has a significant positive effect on the business transformation process of manufacturing SMEs in Addis.

The previous regression analysis result table is shown that the executive management as a single factor coefficient indicated as $\beta = 0.018$, $P < 0.01$, T-test .124 at Sig.005 implied an increase of 1.8% business transformation of manufacturing SMEs is due to the change of one unit in the management factor, assuming all other variables are constant. Therefore, the alternative hypothesis H1 is accepted.

Testing Hypothesis 5

H05: Government support has no a significant positive effect on the business transformation process of manufacturing SMEs in Addis.

H5: Government support has no a significant positive effect on the business transformation process of manufacturing SMEs in Addis.

The previous regression analysis result table is shown that the executive management as a single factor coefficient indicated as $\beta = 0.418$, $P < 0.01$, T-test 5.670 at Sig.000 implied an increase of 41.8% business transformation of manufacturing SMEs is due to the change of one unit in the management factor, assuming all other variables are constant. Therefore, the alternative hypothesis H1 is accepted

Table 4.6.2: Summary of the Tested Hypotheses with regression analysis.

Hypothesizes	Beta Coeff.	T-test	Statistical Sig.	Decision on hypothesis
HA1: Executive management has a significant positive effect on the business transformation process of manufacturing SMEs in Addis.	.418	5.670	.000	accepted
HA2: Technology has a significant positive effect on the business transformation process of manufacturing SMEs in Addis.	.073	1.207	.001	accepted
HA3: Finance has a sizeable positive effect on the business transformation process of manufacturing SMEs in Addis.	.435	5.302	.000	accepted
HA4: Training has a substantial positive effect on the business transformation process of manufacturing SMEs in Addis.	.018	.124	.005	accepted
HA5: Government support has a significant positive effect on the business transformation process of manufacturing SMEs in Addis.	.072	1.137	.001	accepted

4.6.3 Descriptive Statistics result discussion

4.6.3.1. Descriptive statistics analysis of respondents profile

Before passing to inferential statistics (correlation and regression) to test both hypotheses the descriptive statistics analysis and interpretation of the respondent's reflection the demographic and the six main research variables descriptive statistical analysis is performed. Based on the descriptive statistical analysis result of table 4.1 the participation of male respondents (55.4%) were more than females, which also could reveal that the enterprises' employees in the target population are males. Hence, the participation of women specifically young educated women need to be promoted in the support of enterprise development. Majority of participants (42.7%) were young age group 18-30 which could be an advantage in succeeding the objective of transformation that the young age group is an input for the sector to success the business transformation in line with their capacity of creativity and innovation. More participants (51.1%) were married which infers that the sector has the potential to play a significant role in social and economic stability if the government provides an appropriate environment to create active participation of the youth population and the society at large. Most participants (90%) were with educational background of certificate, diploma and bachelor degree graduates. Whereas, graduate-level certified citizens participation were (10%) that is too low which also need to be aggressively focused on by the concerned government bodies as experience of advance nations shown graduated people are the future potential in developing enterprises, job opportunities & the center of entrepreneurs and industry expansion so as to Ethiopian national objective requests. Beside the work place distributions, the respondent's reflection indicated that they are suffering in work space inconvenience and lack of infrastructure. Therefore, this situation needs to be solved so that intensive studies must be conducted.

4.6.3.2. Descriptive statistical analysis of selected factors

It is true, executive management, technology, finance, training and government support factors can affect the business transformation process of manufacturing SMEs though they have magnitude difference between them. As can be compared on the descriptive statistical analysis of factors elastration table 4.2.1. Executive management results, the total grand mean value 3.42 and standard deviation 1.093 indicated that respondents statistically agreed on the moderate contribution of executive management. Whereas, business transformation is an initiative that needs a high-level impact of executive management comprised of leadership, social and technical skills that may create stress and pressure. Swapna & Raja, (2012) revealed that executive management seeks to create a leadership structure that makes it easier to reach their potential. Further, also indicated that business transformations

processes are bold, and seismic shifts that business entity can make to accelerate change and growth beyond modified advancements through well-defined and efficiently designed arrangements. Hence, the moderate level contribution of executive management is not enough to bring a radical shift from the traditional way of planning and operating a business to the transformational business planning and running.

Based on elastration table 4.2.2. Technology descriptive statistical analysis result, the total grand mean value 3.23 and standard deviation 1.379 indicated that respondents agreed on a moderate level. Whereas, innovation is the high-level commitment that has the highest level of impact on the business transformation process of the government-supported small and medium manufacturing enterprises. Technology plays the greatest role of many factors in the process of business transformation process in this modern era. An observation carried out by Veyrat (2016) declared that innovating with suitable generation to business enterprise performs a dynamic function to the integration of production and consumption techniques, and also in convincing clients, entrepreneurs and administrators of its deserves.

From the elastration of table 4.2.3 of Finance analysis result, the total grand mean value of 3.46 and standard deviation of 1.080 indicated that respondents agreed on its moderate contribution. Whereas, access to finance has at the beginning an impact to initiation and motivation to creativity and investment. Typically, this is to mean that fund incorporates a critical impact on the required activities such as job-creating opportunities, sources of income-generating, development of manufacturing enterprises, and to decrease unemployment and poverty at a national level. Further, it encourages motivation of innovation and innovation and advancement of work culture. Besides this, it has a positive impact on designing government policies respective to poverty reduction, creating job opportunities for unemployed citizens, and a means of gaining a high rate of credit returns.

Hence, the respondents stand and the reality on the ground is possible to interpret that access to finance has not only a moderate level role but also has a significant contribution to drive new vision on business transformation. Studies conducted by Xavery (2013) declared that financing channels are an issue for entrepreneurs to start a new business, expand their business, and cooperate with every businessperson daily business activities. While in daily practice the government has given more focus to address quantity or too many citizens than quality. World experience had shown that a few enterprises play the leading role in successful business transformation process incorporated with innovation and invention in the sector.

From the elastration of table 4.2.4. Training analysis result, the total grand mean value of 3.313 and standard deviation of 1.308 indicated that the respondents agreed moderately on the role of training in the business transformation process. Whereas, running a successful

business transformation process with shortage of knowledge and skills of entrepreneurship skills is an unimaginable phenomenon. Hence, the observed weakness on qualities of supports such as lack of proper jointly agreed planning, weaknesses on quality of need assessment in line with the lack of skill in the individual expert, and lack of competency of implementation, in addition to lack of institutional and personal dedications lagged them behind for the success of business transformation process. According to the OECD (2013) study, training skills and training policies have a positive impact on large companies though they are limited to the small and medium-sized enterprises in terms of their effectiveness. Both experts and employees have low-skilled, low- Level of competence, inadequate policy, and programs existed for decades continuing.

From the elastration of table 4.2.5. Government support analysis result, the total grand mean value of 3.47 and standard deviation of 1.137 indicated that respondents agreed on moderate level performance while the value is relatively the highest score of the other factors.

Whereas, in the regression analysis result the reverse is happened which indicated that the quality of support has uncertainty. Unless and otherwise it is traditional or business as usual support approach, getting service quality would have been brought successful business transformation. To be certain on the respondent's descriptive score, the Pearson correlation matrix analysis result, the regression analysis and the reality on the ground should be more or less agreed.

As Mariam wit (2017) described that exerting efforts to transfer technical skills and knowledge between consultants and entrepreneurs are not enough, yet the attitude of dependency is continuing strongly. The advice and consulting techniques. In addition to lack of experience, there is a variety of professional consulting quality reliability.

Msomi, Ngibe & Nyide, (2019) study reveals that small and medium-sized manufacturing enterprises are acknowledged as contributors to the GDP across the globe. Governments and supporting agencies need to promote training to enhance the adoption of management accounting practitioners, shaping the environment to business activities, providing appropriate business information, creating supporting networks and skills development, and ensuring the availability of suitable business finance, and provide platforms to be represented and participate on the process of designing sector-related policies. Small and medium manufacturing enterprises need to provide such platforms to obtain sufficient management accounting practitioners to take the business performances to greater heights. Therefore, awareness creation on small and medium enterprises owners and employees in addition to experts. That is important for experts help to know their duties and responsibilities to shift the

bureaucratic trend to smooth the service given by the government and other agencies financial and none financial supports.

From the elastration of table 4.2.6. Business transformation analysis result, the total grand mean value 3.30 and standard deviation of 1.103 indicated that the respondents agreed on moderate level of performance. Whereas, moderate level performance cannot be led to business transformation success which needs far more statistical analysis results. To be successful in business transformation process, there must be clear beginning point and ending extremes. Scholars as Xavery (2013) have identified four types of generic business transformations that each one can be triggered by a different starting point such as integration/separation, beyond departmental financial transformation the enabling all-rounded technology investment and the hardest cultural transformations are the main business transformation dimensions to start upon it.

According to Uhl and Gollenia (2016) description, a company could ignite the business transformation process through one or more generic dimensions in business transformations. There are also four phases in the business transformation lifecycle. The life cycle phases of business transformations should pass-through business envision (vision or strategy), business engagement, enactment of business transforming (process, technology, culture and customer value), internalization, institutionalization and optimization to make successful transformation and sustainable business.

As Veyrat (2016) further described that just having only the business strategic vision is not enough. Many business companies and fabricating fail to achieve the pre-setting goals of the business transformation process for the reason of being faced with catastrophic challenges. In this dynamic world, we must pay attention to a well-defined operating model to achieve an effective transformation process and success on key factors such as people, process, technology, and management which are more related to independent variables of this study.

Sharma (2015) declared that the other important aspects of a technical treatment of the business transformation process often varies from resolving existing problems to seeking support anger to work harder. The pressure and stress of entrepreneurs can also lead to engaging with high-level thinking approaches such as strategizing, changing priorities, and avoidance of being wrongly deployed. In light of this, there is also a challenge to titrate the optimum mix of reward, recognition, and penalty such that emotional stress levels improve performance and motivation. The internal and external business environment forces need to be directed in such a way that the employees choose a clear and defined course of actions and engaged in certain behaviors that leads to the achievement of the business organization transformation goals.

4.7. Results and Discussion of Inferential Statistics

Under this part the different statistical results of inferential analysis need to be discussed for the purpose of the study. The main techniques used such as testing hypothesis, Pearson's product of moment correlation coefficients and assumptions for multiple regression analysis are to be discussed. Before proceeding to other analysis, the null hypothesis of each variables were rejected because all the five variables linear regression coefficients at significant positive values, T-test analysis and p-values were less than the significant level ($P \leq 0.05$) at ($\text{sig} < .01$).

4.7.1. Pearson's Correlation coefficients

In this section, the coefficients result of the Pearson correlation determines the relationships of the independent variables with the dependent variable of business transformation process multilinear linear model. The correlation matrix coefficients have relied between .473 and .889 at the confidence interval 95% (i.e., $p \leq 0.05$) indicated that the five independent factors have statistically substantially positive correlation with dependent factor of business transformation at $p\text{-value} < .01$ though they have value difference between them. Therefore, it is possible to say that all the selected factors have an effective business transformation correlation on small and medium manufacturing enterprises in a high manner.

4.7.2. Assumption for Multiple Linear Regression Analysis

The assumption multiple regression model has developed to test the hypothesis to predict the significant impact of the selected variables (executive management, technology, finance, training and government support) on the business transformation process of manufacturing SMEs. Based on this, the 1st elastration given in figure 4.5.1 of linearity assumption test result of visual graphical representation of scatterplots indicated that the independent and the dependent variables have clear linear relationship while 2nd elastration given in figure 4.5.2 of normality assumption test result of visual figure has symmetrical or bell shaped curve indicated its normal distribution of residuals. The 3rd elastration in table 4.5.3 of multicollinearity analysis of the five factors results are pointed at the interval of 1.489 to 6.716 at tolerance of $>.1$ and VIF less than 10 which is risky free of high multicollinearity danger. The 4th elastration in table 4.5.4 of the fourth step Homoscedasticity assumption test result of standard residuals versus predicted values were random scattered plots and the visual evidence is shapeless indicated that there will no heteroscedasticity problem.

The 5th elastration in table 4.5.5 of independent of residuals assumption test result 2.219 which relied between the Durbin-Watson rule of thumb standard of 0 & 4 confirmed that the result was out of the danger auto-correlation. The 6th elastration in table 4.5.6 in the. Model summery test result indicated in $R^2=71.3\%$. Hence, based on the determination value 71.3%) variation of the model explained by the predictor variables and the remaining 28.7% explained by other predictors not included in the model. The 7th elastration in table 4.5.7. ANOVA model fit results of $F(5,365) = 180.877$ at $P\text{-value} < .01$ indicated that the selected model has good fit for independent variables within the business transformation. Finally, in the 8th table 4.5.8 of multiple linear regression coefficients shown that the unstandardized and standardized output coefficients are explained under the multiple linear models. The unstandardized multilinear model explained by 41.8%, 43.5%, 7.3%, 1.8% and 7.2% for management, finance, technology, training and government support respectively. While the standardized results are explained by 41.3% for executive management, 39.5% for finance, 15.2% for technology, 11.5% for training and 3.9% for government support respectively from highest to the lowest at the $p \leq .05$ (sig .01). Whereas, the Error term (ϵ) estimate is assumed to be zero.

The multiple regression analysis coefficients of unstandardized and standardized models indicated that the selected factors and the operating model has statistically substantial positive impact on the business transformation of the manufacturing SMEs.

The researcher had also rechecked the consistency of Likert-scale attributes using reversible scoring of variables for the different levels of agreements. For the questions that have positively warded got high level while negatively warded got low level. The reversing score variable method is employed for all the negatively phrased items to measure the consistency of the means of Likert scale items attributes. The purpose of the reversing score variable is to recode the high score response transformed into the corresponding low scores response on the scale. The specific reversible variable recoding technique into transformation of same variables technique (1= 5, 2 = 4, 3 = 3, 4 = 2, and 5 = 1) was employed & analyzed. Therefore, the results of visual and statistical coefficients for further comparisons are put as follows:

Thus, the assumption for multiple regression pre and post-reversible variable data test results of visual evidence such as the linear relationship between dependent and independent variables, the residuals bell-shaped & normal probability distribution, and the scatterplot of homoscedasticity assumption test residuals are more or less similar.

The pre and post-reversible variable data analysis coefficients as pre-statistical results of multicollinearity test outputs of tolerance values range .2 to .7, and the post-reversible

variable data analysis values range .077 and .646 while the general rule is between 1 and 4. The statistical analysis result of VIF pre-reversible variable data analysis values range 1.489 to 7.032, and the post- reversible variable data analysis range 1.548 to 12 .906, while the general rule interval is less than 10. The pre and post-reversible variable data analysis outputs of individual residuals independency tested by Durbin Watson test result range 2.219 to 2.821, while the general rule ranges 0 to 4. The pre- reversible variable data jointly test results of R, R², and R-adj-R² for the independent of residuals were .844, .713, and .709 and the post-reversible variable data analysis outputs were improved as .891, .794, .79. The pre-reversible variable data analysis result of the ANOVA model fit $F(5,364) = 180.877$ and sig (.000), and the post- reversible variable data analysis result of ANOVA model fit $F(5,364) = 280.215$ and sig (.000).

Whereas the pre- reversible variable data measurement of the regression model analysis under unstandardized beta coefficients range .072 to .435 & standard error estimates .064 to .082 while the standardized beta coefficients range .039 to .413, and t-test results .124 to 5.67, and p-value .001 to .005. In the post- reversible variable data analysis measurement of the regression model under unstandardized beta, coefficients range .008 to .417 & estimates of standard errors .071 to .118, while the beta coefficients range .003 to .394, t-test results in .110 to 5.34. Lastly, the pre- reversible variable data analysis test outputs of p-values range .000 to .005, and post-analysis outputs was substantially deviated. Hence, management, finance and training factors have still $P < 0.05$, while government & technology has increased.

To sum up, the pre- reversible variable data and post- reversible variable data analysis output have shown slight increasing deviations in some of the results. These are also more reduced and become normal in the form of combined test results from the model. For the conclusion, the researcher considers that the deviated test coefficients resulted from the similarities of intentionally needed individual questions found in the factors of finance, training and government support in addition to suspicion of conscious and unconscious responses respondents. Though individual test results indicate some deviation, the combined model test results are at the normal condition. Therefore, there is no sufficient reason to change the selected operating multiple linear models unless conducting the suggested further longitudinal study for confirmation.

Chapter five summary findings, conclusions and recommendations are forwarded in considering the triangulation of Validity. Cronbach's alpha coefficient, pre and post-reversible variable data test results, documentary, and some researcher field observations.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS

This study has intended to examine factors affecting business transformation process of government-supported small and medium-sized manufacturing enterprises in Addis Ababa city Administration. Thus, this study needs primarily centered on examining the impact on executive management, the impact on technology, the effect of government support, finding out the impact of training and the effect of finance on the business transformation process of small and medium-sized manufacturing enterprises found in Addis Ababa. The summery findings of the study are derived from primary collected data of descriptive and inferential analysis. On the course, secondary data also used to trace and triangulate the data collected.

5.1 Summary of Major Findings

The objective of this study was to investigate factors influencing business transformation process of government-supported manufacturing SMEs in Addis Ababa city Administration. The problem of business transformation process of the enterprise under study are still a burden for the sector while resource overrun without expected economic return. Therefore, five selected factors in line with their specific questions, hypotheses and operating multiple linear model are formulated and investigated through descriptive and assumption for multiple linear regression different techniques. Therefore, summary of major findings of the study combined as follows:

The demographic profile of the respondents who returned their paper have been used to descriptive statistics analysis. The larger part of the respondents are males accounts for 205 (55.4%), most of the respondents are included in the age interval of 18-30, which were 158 (42.7%), most of the respondents 189 (51.1%) were married, the portion of 220 (59.5%) were diploma and Bachelor degree holders and respondents were represented from four clusters found under three sub cities including expansion area of Yeka sub-city.

Regarding the descriptive statistical analysis of the five factors that are computed and summarized using frequency, percentages, and mean score for each independent variables such as executive management, technology, finance, training, and government and dependent variable business transformation process. The mean score of the descriptive statistical analysis results of the independent variables had ranked as shown in the presented tables for executive management table 4.2.1, Finance 4.2.2, Technology4.2.3, training 4.2.4, government support 4.2.5 and business transformation process 4.3.were ranked in result as government support (3.47), access to finance (3.46), management (3.42), technology (3.23), training (3.13) respectively. While the dependent factor (business transformation process) was (3.30).

Next, based on the Pearson's correlation analysis of the five independent variables results rank as 1st technology ($r = 0.889$, $p < 0.01$), 2nd finance ($r = 0.888$, $p < 0.01$), 3rd training ($r = 0.873$, $p < 0.01$), 4th management ($r = 0.872$, $p < 0.01$) and 5th government support ($r = 0.473$, $p < 0.01$). Though Technology has the highest and government support the lowest rank all five variables results have statistically significant positive correlation with the dependent variable business transformation of small and medium manufacturing enterprises.

The assumptions for multiple linear regression test result, and the unstandardized multiple linear regression beta coefficients interval 1.072 to .435 and standardized multiple linear regression beta coefficients .039 to .413 and t-test values .124 to 5.670 (at sig.000 to .005) are indicated that the model was at normal condition. Hence, the regression model is statistically significantly predicted by the five selected independent variables. Whereas, statistically significant values do not account that the possibility of biasedness or confounding variable impact must always be investigated in longitudinal studies.

5.2. Conclusion

The intended objective of this study was to investigate factors affecting business transformation processes and to answer the raised study questions and hypotheses upon the government-supported manufacturing SMEs in Addis Ababa city Administration. Sticking on the study purpose, the dependent and independent constructs are selected and investigated through SPSS24 to answer the raised questions and stated hypothesis at the first part of the study paper. Based on the descriptive analysis results and the inferential analysis results in line with the study summery findings addressed the following conclusions have drawn.

Descriptive analysis result of demography and factors:

- The contributions of manufacturing SMEs in economic and social development is well acknowledged throughout the world. Whereas, comparing their contributions in the developed and developing nations including Ethiopia, there is a huge gap in attitude and practical implementation. In this study, the demographic study findings are shown that male, young age, married, undergraduate participants were greater while female, old age, unmarried and graduate participants were less in participation. This indicated that those who have greater value in participation need to be further strengthen in order to bring transformational change while those who have less value in participation need to take affirmative promotional actions to reach equivalence in participation.
- According to the descriptive statistical analysis results of factors, government support was 1st ranked while training was the 5th though all the independent factors including the dependent factor grand mean values indicated moderate agreement. However, the

moderate level agreement prevents the hardest performance of business transformation mission success as Swapna & Raja (2012) portrayed. Because:

- The sluggish performance of business transformation has primarily derived from enterprises coordinators and employees lack of fixing their business enterprise constraints properly. To mean that enterprises' managers had never properly fixed internal and external constraints from the strategic issues (mission, insight, integration, work-process, technology, and talent) to refine main independent factors incorporated with appropriate operating model while designing their business transformation strategy. Next to this, they have not used to identify the unique business transformation starting generic strategic transformation (integration or separation, technological financial system and cultural) before designing business strategy.
- They had never used to give weight and include for the fundamental business transformation process milestones (early envision, engagement, transforming, and institutionalization and optimization) in their clear and understandable success path of strategic and implementation planes. Consequently, they had been suffering and failed with the process of business transformation process to achieve their transformation goals and not sustain the business transformation success in the competitive business environment.

Regarding the inferential statistical analysis:

- The correlation matrix coefficient of the independent and dependent factors results have shown that statistically substantial positive impact on the business transformation process of the enterprises under study. According to the Pearson correlation result, a committed entrepreneurs who have human talent, get to finance to invest in seasonal and adequate technology and equipment could be successful in business transformation process.
- Depending on the assumption multiple regression model statistical analysis results, the multiple linear regression statistical analysis results were generally on the positive direction the same as the descriptive statistical analysis and Pearson's moment product coefficients that have substantial positive impact on the dependent factor business transformation though there was a difference in magnitude between them.

Finally, all conducted descriptive statistics and inferential statistical analysis results are confirmed that the five selected independent variables with the selected operating model have statistically and substantially significant positive contributions to the expected success level

of the business transformation objective of the government supported manufacturing small and medium manufacturing enterprises in the Addis Ababa city.

Based on the results of this study, it can be forecasted and predicted that proper implementation of the selected business transformation factors of manufacturing SMEs (executive management, finance, technology, and training systems) with convenient government support services can radically alter the entrepreneurs ability of creativity, innovation and structural development of business enterprises. Further, the contribution for national social and economic objectives such as reduction of unemployment, affordability of goods and services, growth of GDP, creating foundation for industry, work culture, skills and capability could help to advance at large.

5.3. Recommendations

Depending on the descriptive and inferential statistical analysis results of this study, summary findings and conclusions, the following suggestions are forwarded as recommendations to assist the business transformation process of government-supported manufacturing SMEs, support service providers decision makings. In addition, this study can also help bridge the gap in the literature and further study works.

5.3.1. Recommendations for enterprises

- Small and medium manufacturing enterprises coordinators should bring a new paradigm shift from traditional planning and implementing to modern and scientific way of planning and implementing by strictly knowing how to run business transformation process.
- The entrepreneurs and employees found in the enterprises under study, first need to review and get proper professionals counsel for how to start and process of shifting their business transformation process.
- Small and medium manufacturing enterprises primarily fix their constraints of mission, insight, integration, working process, technology, and manpower talent before refining and selecting the major impacting factors.
- It is necessary to select the adequate unique beginning point of generic business transformation such as integration or separation, technological financial system and cultural transformation.
- Design proper business strategy aligned in addressing the weight of factors in the function and strictly acknowledging how to follow up the process milestones to be implemented.
- Addressing all the above mentioned points, designing implementation plan in line with the business strategy including performance indicators proposed by experts.

- They have to conduct expert evaluations based on the indicators pre-agreed and designed on the strategy and action plan frequently to trace whether the performance of business strategy is running on the right path.
- On the course of implementation, the harmony of operating model incorporated with the selected factors weighted accordingly and the performance level of process milestones in line with the rate of supervision and immediate corrective measures are necessary to shift existing situation.
- Entrepreneurs to be successful in their business transformation process needs smooth communication in different techniques of business aspects among manpower they have. So that, merit recruiting of their employees have to be strictly implemented without hesitation, and the enterprise should be an absorber of certified and trained employees in a related field at each level of activities is the necessary input in addition to adequate organizational channel of communication.

On the other hand, this study has shown that many entrepreneurs and employees graded to the factor of government support in their reflection. They need to be cautious that their reflection might be driven from undermine their decisive internal potential in their daily practices. Whereas, the internal factors such as adequacy of structural organization, working process structures, proper plan with clear mission and objectives of transformation, customer handling system and social networks affiliations, labor management and working culture, human resource talent, seasonal and adequate technology and equipment are mainly the decisive factors for business transformation process success and sustainability. Lack of understanding and commitment to internal issues is lack of readiness and a big barrier of business transformation. Hence, ignoring instead of focusing on these issues is inviting an evitable failure to strategic business transformation objectives.

5.3.2. Recommendation for Government and other Stakeholders

- The study indicated that the existing experience of supporting style did not bring remarkable change for the enterprises. Because the existing support has been considered as business as usual type or traditional way with no alteration that prevented effectiveness and efficiency in business transformation process. Therefore, the government and other supporting agencies should review their experience of support style and need to take necessary corrective measures. This needs a paradigm shift from the ordinary to the success path of focusing on the quality change of business transformation of small and medium manufacturing enterprises.

- Boldly, that business transformation cannot be processed and sustained unless and otherwise, entrepreneurs are strictly following the right path of business transformation.
- To be successful in the business transformation process those enterprises, supports needs to be started from the early jointly planning process of business transformation, and frequent assessment of implementation courses actions help to prevent failure, instead prevail business transformation success.
- Supports should include tracing and exposing enterprises' internal situation on the level of transformation process phases at the right time. These assessments should be done with the help of previously settled indicators intentionally selected as part of the strategic plan to confirm whether the business transformation process is enabling conditions to achieve the pre-setting goals.
- The financial access channeling, management accounting and other pieces of training supports need to be strictly delivered professional assessment, evaluated by team and documented before field practice or render to the real concerned entrepreneurs in respect of their business transformation sustainability.
- Working places should be constructed at proper sites based on the result of technical and professional assessment in consideration of participation of beneficiaries. Working places such as for production, showrooms and sales sites etc. need to be prepared in patterns of their very nature and purposes of businesses. Moreover, creating platforms of social networks for SMEs is extremely necessary to support each other in addition to create a relatively sustainable raw material supply chain at proper locations around them.
- Moreover, the government have to priority support for graduate youth in providing mechanisms and need to emphasize entrepreneurs merit recruitment of beneficiaries and getting the right businesspersons instead of easily collecting citizens. Certainly, this approach is helpful to minimize wastage of scarce public resources overrun and to increase cost-effective social and economic returns.
- The government should provide platforms for small and medium manufacturing enterprises to participate in the existing government head offices and brunch's organizational restructuring processes.
- Participation of entrepreneurs in designing policies to support related platforms are needed to minimize barriers that are seen in service delivery of the business transformation process and to create a convenient working environment for the

customers. Moreover, it is also important to prepare a jointly agreed plan to reduce the hidden collision between support providers and support receivers.

Lastly, the stakeholders need to be coordinated for research and development in line with an academic intervention to advance the sector. Since there is global agreement in theory and practice, emphasis should be given to boom the sector beyond the existing practices in articulating global academic learning and the practical experience on the ground to solve the problem strategically.

5.3.3. Recommendations for further future researchers:

The study considered the investigation of the selected independent variables through descriptive, Pearson's correlation and assumptions for multiple linear regression. Whereas, in Person's correlation analysis result of technology scored 1st and government support scored 5th while in the assumptions for multiple linear regression analysis executive management scored 1st and government support scored 5th. The inconsistency of rank is observed in between as the 1st ranked technology in Person's correlation is reversed in assumptions for multiple linear regression by executive management which need to be further investigating. In addition, it is necessary to conduct the study using qualitative methods to avoid the uncertainty of respondent's intention and action to confirm the results to pursue practioners.

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COLLEGE OF BUSINESS AND ECONOMICS

MASTERS OF BUSINESS ADMINISTRATION (MBA) PROGRAM

Dear Respondent/s! Thank you for your cooperation in this study. My name is Ghidena, and I am MBA student at Addis Ababa University. I am here to ask you some questions for my study that factors affecting business transformation processes of government supported small and medium manufacturing enterprises: In the case of Addis Ababa City Administration. Your participation in this study shall be based completely on your willingness, and you are guaranteed to leave to answer any questions should you feel uncomfortable about it. The study will be conducted for academic purpose and any personal information you share with the researcher will be kept confidential. Aware of this and the importance of the information that you give towards the achievements of the research objectives, you are required to give genuine and honest information. Thank you in advance!

Annex 1: Questionnaire

Instruction

- ✕ No need of writing your name at any part of the paper.
- ✕ For likert scale type statements mark (√) sign only once for the given variables depending on your level of agreement.

Section 1: Background Information of the Respondents

1. Sex A. Femal ☐ B. Male ☐
2. Age A. 18-3 ☐ B. 31-50 ☐ C. > 50 ☐
3. Marital Status A. married ☐ B. single ☐ C. Divorc ☐ D. widowed ☐
4. Educational qualification A. No formal educatio ☐ B. Primary ☐
- C. High School ☐ D. Diplor ☐ E. BA/BS ☐ F. MA/MS ☐
- G. Ph ☐
5. Working Place industry cluster: Sub-City -----District -----

Section2: Factors Affecting Business Transformation Process of Government Supported Small and Medium Manufacturing Enterprise.

1. Mark your feeling concerning the following statements: 1=Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4=Agree (A), 5=strongly agree (SA)

No	Executive Management	1	2	3	4	5
1	Lack of strategic business transformation planning					
2	Lack of sufficient management accounting practitioners					
3	Poor management skill					
4	Lack of selection of business stakeholders					
5	Failure to proper administration of business enterprise					
6	Lack of clear division of duties and responsibilities among employees					
7	Lack of clear business strategically mission and vision					
8	Failure to integration of business enterprises					
9	Lax of rigorous impact assessments of small and medium enterprises					

2. Mark your feeling concerning the following statements: 1=Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4=Agree (A), 5=strongly agree (SA)

No	Technology	1	2	3	4	5
1	Lack of skills to handle new technology					
2	Lack of appropriate machinery and equipment					
3	Unable to select proper new technology					
4	Failure to proper control the existing technology					
5	Failure to integration of enterprise with other having advance technological institution					

3. Mark your feeling concerning the following statements: 1=Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4=Agree (A), 5=strongly agree (SA)

No	Finance	1	2	3	4	5
1	Lack of access to finance					
2	Book keeping and accounting in not available					
3	High interest rate					
4	Shortage of working capital					
5	Insufficient availability of raw material					
6	Unavailability of credit					
7	Access to finance is a major challenge that affects the growth of my business					

4. Mark your feeling concerning the following statements: 1=Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4=Agree (A), 5=strongly agree (SA)

No	Training	1	2	3	4	5
1	Inadequate access to training					
2	Lack of management accounting practice training					
3	Lack of update business strategy and management training					
4	Lack of business transformation and assimilation training					
5	Lack of manufacturing enterprise education					

5. Mark your feeling concerning the following statements: 1=Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4=Agree (A), 5=strongly agree (SA)

No	Government support	1	2	3	4	5
1	Lack of government support					
2	The tax levied on my business is not reasonable					
3	Inaccessibility of policymakers that represent business entrepreneurs					
4	Political decision influence on business enterprises					
5	Accessible information on government regulations that are relevant to my business					

✱ What possible measures should be embarking on to reduce the problem of business transformation process of government supported small and medium manufacturing enterprises?

Sections Three: Business transformation process of small and medium manufacturing enterprises

1. Mark your feeling concerning the following statements: 1=Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4=Agree (A), 5=strongly agree (SA)

No	Business Transformation Process of SMMEs	1	2	3	4	5
1	Lack of strategic business transformation process principle in SMMEs					
2	Lack of sufficient management accounting practitioners in business transformation process of SMMEs					
3	There is no an empowering individuals to make decisions themselves.					

4	Inadequately used of modern technology in business transformation of SMMEs					
5	Not have relationship with the other stakeholders by using websites and social media sites to transform SMMEs					
6	Do not make promotion that people access to information and knowledge about SMMEs.					
7	Lack of proper control of the existing capital in SMMEs					
8	Do not obtained finance for improvement of SMMEs					
9	lack of talented manpower in SMMEs					
10	There is no policy concerning employees' training that helped to transform SMMEs.					
11	Government does not designing and implementing various support instruments to help enterprises meet the business transformation process of SMMEs.					
12	Government does not support is when government commits itself to give assistance to the SMMEs through its policies and institutions.					
13	Government does not give assistance to producers or distributors in a product to prevent the decline of those SMMEs.					

✕ What possible solution do you have recommended to reduce factors influence on business transformation process of government supported small and medium manufacturing enterprises?

Thank you very much for filling the questionnaire!!!!



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በአዲስ አበባ ዩኒቨርሲቲ የንግድ እና ኢኮኖሚክስ ኮሌጅ የንግድ ሥራ አስተዳደር (MBA) መርሃ ግብር

መግቢያ

ውድ ተሳታፊ! በዚህ ጥናት ውስጥ በግልጽ ስለሚያደረጉት ትብብር በቅድምያ እና መሰግናለን :: ስሜ ጌዴና ሃይለስላሴ እባላለሁ፤ እኔ በአዲስ አበባ ዩኒቨርሲቲ በንግድ እና ኢኮኖሚክስ ኮሌጅ የንግድ ሥራ አስተዳደር (MBA) መርሃ ግብር ተማሪ ነኝ :: በአዲስ አበባ ከተማ አስተዳደር ክልል ውስጥ በመንግስት የተደራጀ አስተዳደር መካከለኛ ማምረቻ ኢንተርፕራይዝ የንግድ ሥራ የጥራት ለውጥ /ትራንስፎርሜሽን/ ሂደታቸው ላይ ተጽዕኖ የሚያሳድሩባቸው ምክንያቶች ለመመርመር ለጥናቱ አንዳንድ ጥያቄዎችን ለመጠየቅ እዚህ ከእናንተ ጋር ተገኝቻለሁ :: በዚህ ጥናት ውስጥ በግልጽ የሚያደረጉትን ተሳትፎ ሙሉ በሙሉ በራስዎ ፈቃደኝነት ላይ የተመሠረተ መሆን አለበት፤ እናም በዚህ የጋራ ጥቅም ባላቸው ጥናት ላይ ምላሳዎችን የማይሰማዎት ከሆነ ማንኛውንም ጥያቄ ላለመመለስ ትተው መውጣት ይችላሉ :: ጥናቱ የሚካሄደው ለአካዳሚክ ዓላማ ሲሆን ከተመራማሪው ጋር የሚጋሯቸው ማናቸውም የግልጽ መረጃዎች በሚስጥር ይቀመጣሉ :: የሚሰጡትን መረጃዎች ለምርምር ዓላማዎችና ግቦች አስፈላጊ መሆናቸውን በመረዳት እውነተኛና በሀቅ ላይ የተመሠረተ መረጃዎች ብቻ መስጠት ይጠበቅብዎታል ::

በድጋሚ ምስጋናየን አቀርባለሁ!

የጽሁፍ መጠይቅ

የመልስ አሰጣጥ መመሪያ

- ⊗ ስምዎን በማንኛውም የወረቀት ክፍል ላይ መጻፍ አያስፈልግም።
- ⊗ በደረጃ አሰጣጥ ሚዛን ላይ በመመርኮዝ የስምምነትዎ ደረጃ በተሰጡት ተለዋዋጮች ፊት ለፊት ባለው ሳጥን ውስጥ አንድ ጊዜ ብቻ ምልክት (✓) ያድርጉ ::

ክፍል1:- የተሳታፊዎች ጥሬ ሀቅ መነሻ መረጃ

1. ፅታ:- A. ሴት B. ወንድ ☐ ☐
2. ዕድሜ:- A. 18-30 ☐ B. 31-50 ☐ C. ከ50 በላይ ☐
3. የጋብቻ ሁኔታ:- A. ባለትዳር ☐ ነጠላ ☐ C. የተፋታ/ች ☐ መበለት ☐
4. የትምህርት ሁኔታ
 A. መደበኛ ትምህርት ያልተማረ ☐ B. የመጀመሪያ ደረጃ ☐ C. የሁለተኛ ደረጃ ☐
 D. ዲፕሎማ ☐ E. የመጀመሪያ ዲግሪ ☐ F. የሁለተኛ ዲግሪ ☐
 G. የዶክትሬት ዲግሪ ☐

5. የሥራ ቦታ ከ / ከተማ ----- ወረዳ -----

ከፍል2:-በመንግስት የተፈጠሩ አነስተኛና መካከለኛ ማምረቻ ኢንተርፕራይዝ የንግድ ሥራ የጥራት ለውጥ/ትራንስፎርሜሽን/ ሂደት ላይ ተጽዕኖ የሚያሳድሩ ምክንያቶች ::

1. የሚከተሉትን የሀሳብ መግለጫዎች ለንጽጽር እንዲመች:- በጥብቅ አልስማማም (1) ፣ አልስማማም (2) ፣ ገለልተኛ (3)፣ እስማማለሁ (4)፣ በጥብቅ እስማማለሁ (5) የሚሉትን በመመዘን ፊት ለፊት ባለው ሳጥን ውስጥ (✓) ምልክት ያድርጉ

ተ.ቁ	የአስተዳደር ጉዳይ	1	2	3	4	5
1	የስትራቴጂክ የንግድ ሥራ የጥራት ለውጥ ሂደት /ትራንስፎርሜሽን/ እቅድ እጥረት					
2	ብቁ የሂሳብ ስራ አመራር ባለሙያዎች እጥረት					
3	ደካማ የንግድ አስተዳደር ችሎታ					
4	በመተባበር የሚሰሩ የንግድ ባለድርሻ አካላት ምርጫ እጥረት					
5	የንግድ ድርጅትን በአግባቡ ማስተዳደር አለመቻል					
6	በድርጅቱ ሠራተኞች መካከል ግልፅ የሥራና የኃላፊነት ክፍፍል አለመኖር					
7	የንግድ ድርጅትን የስትራቴጂክ እቅድ ተልእኮ እና ራዕይ ግልፅነት እጥረት					
8	የንግድ ድርጅት ስራ ሂደቶች ቅንጅትና ውህደት አለመኖር /አለመቻል/					
9	የአነስተኛና መካከለኛ ኢንተርፕራይዞች እንቅስቃሴ ጥብቅ ተጽዕኖ ዳሰሳና ምዘናዎች እጥረት					
ተ.ቁ	የቴክኖሎጂ ጉዳይ	1	2	3	4	5
1	የአዲስ ቴክኖሎጂ አጠቃቀም ችሎታ ማጣት					
2	የተስማሚ ማሸኖች እና መሳሪያዎች እጥረት					
3	ትክክለኛና አዲስ ቴክኖሎጂ ከገበያ አለመምረጥ					
4	በድርጅቱ ውስጥ ያለውን ቴክኖሎጂ በአግባቡ አለመቆጣጠር					
5	ድርጅቱ ከሌላ ምርጥ ቴክኖሎጂ ካለው ተቋም ጋር ማዋሃድ አለመቻል					
ተ.ቁ	የፋይናንስ ጉዳይ	1	2	3	4	5
1	ለድርጅቱ መዋቅር የፋይናንስ ተደራሽነት እጥረት					
2	የድርጅቱ የሂሳብ መዝገብና ሂሳብ አያያዝ ስርዓት አለመኖር					
3	በፋይናንስ ስርዓት ውስጥ ከፍተኛ የወለድ መጠን መኖር					
4	ለድርጅቱ የንግድ ሥራ እንቅስቃሴ የካፒታል እጥረት መኖር					
5	በድርጅቱ ውስጥ በቂ የጥሬ እቃ አቅርቦት ስርዓት አለመኖር					
6	ለድርጅቱ የፋይናንስ ብድር አቅርቦት አለመገኘት					
7	የፋይናንስ አቅርቦት የንግድ ሥራ እድገትን የሚካከ ዋና ተግዳሮት መሆን /expansion/					
ተ.ቁ	የሰልጠና ጉዳይ	1	2	3	4	5
1	አግባብነት የሌለውና በቂ ያልሆነ የሥልጠና ተደራሽነት መኖር					
2	የሂሳብ መዝገብ አያያዝና ሂሳብ አስተዳደር ስርዓት ሥልጠና እጥረት					
3	የዘመናዊ ንግድ ስትራቴጂ እና የንግድ አስተዳደር ሥልጠና እጥረት					
4	የንግድ ሥራ የጥራት ለውጥ እና የማዋሃድ ሥልጠና እጥረት					
5	የማኑፋክቸሪንግ ድርጅት ሥራ አስተዳደር አካዳሚክ ትምህርት ሥልጠና እጥረት					
ተ.ቁ	የመንግስት ድጋፍ ጉዳይ	1	2	3	4	5
1	የመንግስት ሁሉን አቀፍ ድጋፍ ማግኘት					
2	በንግድ ሥራ ላይ የሚጣለው ግብር ተገቢና ሚዛናዊ አይደለም					
3	የንግድ ሥራ ፈጣሪዎችን የሚወክሉ ከፖሊሲ አውጪዎች ጋር ተሳታፊዎች አለመሆን					

4	የመንግስት የፖለቲካ ውሳኔ በንግድ ድርጅቶች ላይ ተጽዕኖ መኖር					
5	ለንግድ ሥራ ጠቃሚ የሆኑ የመንግስት መመሪያዎችና መረጃዎች ተደራሽነት አጥረት					
ተ.ቁ	አነስተኛና መካከለኛ የማኑፋክቸሪንግ ኢንተርፕራይዞች የንግድ ሥራ የጥራት ለውጥ/ትራንስፎርሜሽን/ ሂደት	1	2	3	4	5
1	በአነስተኛና መካከለኛ የማኑፋክቸሪንግ ኢንተርፕራይዞች ውስጥ የስትራቴጂካዊ የንግድ ሥራ የጥራት ለውጥ /4 ቶራንስፎርሜሽን ደረጃዎች/ሂደት መርህ የመከተል አጥረት /የትራንስፎርሜሽን ራዕይና ተልእኮ፣ ስርጽት፣ ትግበራና ዘላቂነት/					
2	በአነስተኛና መካከለኛ የማኑፋክቸሪንግ ኢንተርፕራይዞች ንግድ ሥራዎች የንግድ ሥራ ለውጥ ሂደት /ትራንስፎርሜሽን/ ውስጥ ብቂ የሂሳብ የአስተዳደር ባለሙያ አጥረት					
3	በንግድ ሥራ ለተሳተፉ ግለሰቦች በራሳቸው ውሳኔ ሰጪዎች እንዲሆን አቅም አለመፍጠር					
4	በአነስተኛና መካከለኛ የማኑፋክቸሪንግ ኢንተርፕራይዞች ንግድ ሥራዎች ጥራት ውስጥ/ትራንስፎርሜሽን/ ሂደት ዘመናዊ ቴክኖሎጂን በበቂ ሁኔታ ጥቅም ላይ አለመዋል					
5	በአነስተኛና መካከለኛ የማኑፋክቸሪንግ ኢንተርፕራይዞች የንግድ ሥራዎችን ጥራት ለውጥ /ትራንስፎርሜሽን/ እንዲመጣ ድር-ገፅ እና ማህበራዊ ሚዲያዎችን በመጠቀም ከሌሎች ባለድርሻ አካላት ጋር ግንኙነት አለመፍጠር					
6	ሥራ ፈጣሪዎችን ስለአነስተኛና መካከለኛ የማኑፋክቸሪንግ ኢንተርፕራይዞች ንግድ ሥራዎች መረጃ እና ዕውቀትን የሚያገኙበት ምቹ መድረክ አለመኖር					
7	በአነስተኛና መካከለኛ የማኑፋክቸሪንግ ኢንተርፕራይዞች ንግድ ሥራዎች በድርጅቱ ውስጥ ያለውን ነባር ካፒታል በአግባቡ መቆጣጠር አለመቻል					
8	ለአነስተኛና መካከለኛ የማኑፋክቸሪንግ ኢንተርፕራይዞች ንግድ ልማት ሥራዎች ለጥራት ለውጥ /ትራንስፎርሜሽን/ ሂደት የሚሆን በቂ ፋይናንስ አለመኖር					
9	በአነስተኛና መካከለኛ የማኑፋክቸሪንግ ኢንተርፕራይዞች ንግድ ሥራዎች ጥራት ለውጥ/ትራንስፎርሜሽን/ ሂደት ውስጥ የሙያ ችሎታ ያለው ሰው ኃይል አጥረት መኖር ::					
10	በአነስተኛና መካከለኛ የማኑፋክቸሪንግ ኢንተርፕራይዞች የጥራት ለውጥ /ትራንስፎርሜሽን/ ለማምጣት የሚያስችልና ስራተኞችን ለማሰልጠን የማረዳ ግልፅ ፖሊሲ አለመኖር ::					
11	መንግሥት የኢንተርፕራይዞቹን የንግድ ሥራ የጥራት ለውጥ /ትራንስፎርሜሽን/ ሂደት ለማሟላት የሚያግዙ የተለያዩ የድጋፍ መሣሪያዎችን ተነድፎ ተግባራዊ አይደረግም					
12	መንግስት በአነስተኛና መካከለኛ የማኑፋክቸሪንግ ኢንተርፕራይዞች የጥራት ለውጥ /ትራንስፎርሜሽን/ ለማምጣት በፖሊሲው እና ተቋሞቹ ድጋፍ ለመስጠት ቁርጠኝነት የለውም::					
13	የአነስተኛና መካከለኛ የማኑፋክቸሪንግ ኢንተርፕራይዞች ውድቀት ለመከላከል በማምረት ሂደት ውስጥ ለአምራቾች ወይም ለአከፋፋዮች የመንግስት ድጋፍ አለመኖር ::					

This image shows a blank sheet of white paper with horizontal dashed lines, typical of primary-ruled notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.