RESEARCH ARTICLE

ASSESSMENT OF FACTORS AFFECTING THE GROWTH OF MICRO AND SMALL ENTERPRISES IN OROMIA NATIONAL REGIONAL STATE, ETHIOPIA

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ARTICLE INFO	ABSTRACT
	This study empirically investigated the factors affecting the growth of micro and small enterprises in Dodola town. The types of research that was used under this study were descriptive and explanatory with quantitative and qualitative of research technique. The research design was cross sectional survey. The study used multi-stage sampling.From 169 micro and small enterprises, 119 of them were randomly selected. Primary data, through questionnaires, key-informant interview and focus group discussion, were collected from the sampled 119 micro and small enterprises from Dodola town. Sample was selected based on the list available from micro and small enterprises promotion bureau of the Dodola district. Data were analyzed using both descriptive and inferential statistics with the help of Statistical Packages for Social Science. By using this software, analysis of variance was carried out to examine the variation in the growth of Micro and Small Enterprises related to the variation in each of the independent variables of the study. Pearson chi-square and t-test were used to identify factors that significantly affect the growth of MSEs using change in employment size since startup as a measure of firm growth in which about 90.8 percent of MSEs are found survival and the remaining 9.2 percent are at growing stage. In accordance with this study results, the variation in sex of the owner/manager, the age of the owner/ manager, type of business, form of business ownership, having customer networking, sound business plan, having formal or informal business association, access to market information, and availability of market demand for their products constitute enterprise's most important assets for attaining Micro and Small Enterprises growthif growth is measured using change in employment size. They are an important factor in the growth of MSEs in the study area. Hence, government and non government organizations that are concerned with policy makers, unemployment reduction and poverty alleviation through the promotion and development of MSEs need to take these factors in to account to accomplish better result and increase the potential contribution of MSEs to the economic growth of the country.

INTRODUCTION

Growth in Micro and Small Enterprises (MSEs) has been found to have a linkage with economic growth and poverty alleviation (Gebrehiwot and Wolday, (2004). Micro and small enterprises serve as a means of developing indigenous entrepreneurship for sustained industrialization. Hence, they are integral parts of developing economies. For these reason, giving due attention in promoting expansion of MSEs largely has been recommended by experts and international bodies for reducing poverty and unemployment rate in developing economies. Ethiopia's Federal Micro and Small Enterprises Development Package (FMSEDP) of 2015 and European Economic Association (EEA) Conference in 2015 disclosed that Ethiopia is encountering huge number of unemployment problem.

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Another study by the Ministry of Finance and Economic Development (MoFED) indicates that 37 percent of the urban population is below poverty line (Endalkachew, 2018). In line to this, according to the census result of (2010), the urban unemployment stands at 25 percent. Because of this fact, the country took into account the promotion of the MSEs sector as the most central alternative in order to bring economic growth, elimination of unemployment and poverty. In line with the important contribution that MSEs can make, the aspiration of transforming private sector tied with the overall vision of achieving middle income status by 2025 and attaining the goals of poverty alleviation and sustainable development, encouraged Ethiopian Government in promoting of MSEs throughout the country is increasing. It is not uncommon that, micro and small enterprises use what the country possesses and less of what it lacks as well as their role in employment creation for the majority of work forces. In view of the fact that, the potential of MSEs for economic development through

creating market for local products, and utilization of local raw materials and knowledge, more attention has been given to the sector. Thus far, the growth of micro and small enterprises is yet below expectation and their role in reducing poverty, creating employment opportunities and bringing innovation has faced several challenges. So that taking these all in to account, it is very essential to systematically identify the factors that affect the growth of MSEs. This study, therefore, aims to investigate the factors affecting the MSEs growth in Ethiopia.

Statement of the Problem: In Ethiopia, supporting MSEs has been considered as a basic instrument to employment creation and foundation to long-term development objectives**.** However, like other developing countries, in Ethiopia the growth of the enterprises is still below expectation which demands a thorough investigation. Even though a National Micro and Small Enterprises Development Strategy for the promotion of MSEs were issued in 1997, the success achieved so far is not so much satisfactory (Eshetu and Mamo, 2016). Despite the huge number of people earning their livelihood from the sector, the enterprises have been running below capacity and their growth has been inhibited by numerous factors (Mulat et al., 2016).

Thus, a large number of MSEs are unable to grow and others remain be at survival since startup. Amusingly, as noticed by Mulu, G. (2017), out of 1000 MSEs in the country, 69 percent of them are survival. In capital city, Addis Ababa, 75.6 percent of the MSEs were unable to grow at all since startup and only 21.9 percent of the MSEs were added workers (Wasihun & Paul, 2017). Besides, Mekeklle city, 76.4 percent of MSEs are survival and the remaining 23.6 percent are growing (Habtamu et al., 2016). This implies that, large number of MSEs in our country are experienced great challenges, which hindering their potential growth.

As stated by (CSA, 2007), the unemployed population in urban areas of Ethiopia in 2010 was 1,116,512 with unemployment rate of 18.9 percent in general. This significant rate of unemployment and the potential role of MSEs to deter the problem give emphasis to the importance of studying the factors that affecting the growth of MSEs. Besides, in Oromia National Regional State about 348,673 entrepreneurs are engaged in Micro and Small Enterprises which is accounting for 39.1 percent of the total number of enterprises in the Country (FMSEDP 2011). In spite of this, like other MSEs in the nation, in Oromia, the enterprises experienced many challenges which hold back their business growth. Even though there are large numbers of MSEs in this region, to my knowledge there are no clear, organized and recently testified data concerning the direction and magnitude of changes in MSEs in the study area.

This study, therefore, conducted in the absence of clear, organized and recently testified data concerning the direction and magnitude of changes in MSEs growth in the study area. Therefore, to assess the factors affecting the growth of MSEs in a holistic way by targeting and deeply investigating those owners/managers engaged in trade, services, manufacturing, constructions and urban agriculture activities in Oromia Regional state was necessary. Therefore, the research outcomes that will be supplied in this paper shall provide sufficient information on factors affecting the growth of MSEs in this region.

Objectives of the Study

General Objective of the Study: The general objective of this study is to assess the major factors that affect the growth of microand small enterprises in Oromia Regional State.

Specific Objectives of the Study

The specific objectives of the study are:

- To examine whether owners/managers demographic characteristics affecting the growth of micro and small enterprises.
- To assess whether firm characteristics affecting the growth of micro and small enterprises in the study area.
- To assess some major factors those affecting the growth of micro and small enterprises.

Research Hypothesis

- There is a significant difference on MSEs Growth operated with different sex.
- There is a significant difference on the growth of MSEs in relation to the owner /manager age difference.
- There is a significant difference on the growth of MSEs in relation to the difference on the educational level of the owner/manager.
- There is a significant variation on MSEs growth with the difference in owner/manager experience.
- There is a significant difference on the growth of MSEs in relation to the difference on the business types or business sectors.
- There is a significant variation on the growth of MSEs in relation to the difference on the form of business/enterprise ownership.
- There is a significant difference on the growth of MSEs with the difference in customers networking or linkage approach.
- There is a significant difference on the growth of MSEs in relation to the difference in all-embracing or sound business plan.

Chapter two: review of literature: This chapter will review works on MSEs in Ethiopia and other countries in general and Oromia Region in particular. Prior Works on growth and factors affecting the growth of MSEs will also be examined. This is of help to understand the state of MSEs and its factors that affect the growth of MSEs.

Definition of micro and small enterprises: However, definition is one of the fundamental critical issues related to MSEs, it has led to diverse definitions and unresolved debates. While dealing with MSEs, the prominent challenge is the absence of clear cut and universally agreed definition of MSEs in this world. Yet there is no universally agreed up on the definition of MSEs (Amenu, 2005). Because of this fact, the meaning of MSE is necessary arbitrary because peoples, countries and organizations adopt different standards for different purposes according to their own working definition (Amyx, C., 2005; Amenu B., 2005). The lack of uniform definition of MSEs on this earth can leave the door open to define them in different angles to these individuals and organizations. Accordingly, these individuals and organizations have been defining them in a variety of ways, using different factors by in line to their country and organization perspectives.

On this line, the definition of MSEs may be defined depend on persons employed, annual growth of sales, fixed capital invested, or a combination of all the above criteria. For instance, according to the World Bank (1976) firms with fixed assets (excluding) less than US 250,000 in value are small enterprises. According to USAID, firms with less than 50 employees are small. Even there is no uniform definition of MSEs in this world, nowadays; there has been some degree of convergence in MSEs definitions particularly in Europe. For example, the European Commission defines MSEs using a combination of employee numbers, annual turnover or balance sheet total and ownership (Amyx, 2005). As far as recognized, there is no single and universally acceptable definition of a small enterprise (Kayanula and Quartey, 2000). This is so because, the parameter and ways of categorizing enterprises under micro and small enterprises from institution to institution, country to country depending essentially on the country's level of development. Even in a country or within the same country, definitions also change overtime due to changes in price levels, advances in technology or other considerations (Emma I. et al., 2009). Beside, firms differ in their levels of capitalization, sales and employment. Hence, definitions that employ measures of size (number of employees, turnover, profitability, net worth, etc.) when applied to one sector could lead to all firms being classified as small, while the same size definition when applied to a different sector could lead to a different result. The absence of such uniform definition of MSEs has created a difficulty in dealing with MSEs. In line with this, Tegegne and Meheret (2010) argued that the absence of a uniform or universally applicable definition has made the task of counting the number of MSEs and assessing their impact extremely difficult across countries.

The United States of America, the Small Business Act issued in 1953 stated that, small business can be defined as independently owned and operated and not dominant in its field of operation. The acthad used, number of employees and sales volume as guideline in defining small business (Major L. C. & Radwan N. S., 2010). In the same country, a committee for economic development (CED) had explained that small business is characterized by at least two of the key features: management is independent (usually the managers are owners), capital is supplied and an individual or small group holds ownership and the area of operation is mainly local (workers and owners are in one home country). Similarly, in Ethiopi ancon text there is no uniform/ single definition even at the national level to have a common understanding of the MSEs sector. For instances, Ministry of Trade and Industry (MoTI) and the Ethiopian Central Statistics Authority (CSA) have been defined MSEs in different angles. Whereas, the definition by MoTI uses capital investment, the CSA uses employment and favors capital intensive technologies as a parameter. So far, the definition used by MoTI, which uses capital investment as a yardstick, has been developed for formulating MSEs development strategy in 1997 (MoTI, 1997). In accordance with the official definitions of MoTI, micro enterprises are business enterprises that found in all sectors of Ethiopian economy with a paid up capital (fixed assets) of not more than Birr 20,000 and excluding high technology consultancy firms and other high technology establishments. Small enterprises are business enterprises with a paid up capital of more than Birr 20,000 but not exceeding Birr 50,000 and excluding high technology consultancy firms and other high technology establishments (MoTI, 1997).

In a fundamental truth, the central statistical authority has attached various definitions to enterprises based on capital, level of technical and technological capacities. As far as, in 2003 the CSA based its definition of MSEs on employment size and degree of automation for small scale enterprises and used a combination of these yardsticks for defining such enterprises. In Ethiopian regulation, "micro enterprise" means an enterprise having a total capital, excluding building, not exceeding Birr 50,000 in the case of service sector or not exceeding Birr 100,000 in the case of industrial sector and employs 5 workers, those including the owner, his family members and other employees (Art. 2(1)). Similarly, the same regulation defines "small enterprise" as an enterprise having a total capital, excluding building, from Birr 50,001 to 500,000 in the case of service sector or Birr 100,001 to Birr 1,500,000 in the case of industrial sector and hires 6 to 30 workers, those including the owner, his family members and other employees (Art.2(2)). On the other hand, since Feb.2011, MOTI has adopted official definition of MSEs which is different from previous years. The current definition of MSEs in Ethiopia is centered on the number of employees that the enterprises hire and size of the capital they own are mainly used as a parameter to define MSEs. Accordingly, each micro and small enterprise is categorized in to industry and service sector. Micro-enterprise is the business enterprise that found in all sectors of the Ethiopian economy and hiringup to five man power and 100,000 birr capital for industry and up to five man powers and capital of 50,000 birr for service sector. And small scale enterprise category, the industry sector includes6-30 man power and maximum of 1.5 million birr capital and the service sector involves 6-30man power and capital of 500,000 birr. Under the industry sector there are Manufacturing, Construction and Mining, and under the service includes Retail, Transport, Hotel and Tourism, Recreation, Information Technology and Maintenance. By sum up, as we can understand from the above definitions, there is no universally acceptable definition of MSEs in this world. Hence, different scholars define MSEs differently based on the level of development of the country under review. As shown above, it is usual to see that different institutes define MSEs differently using their own parameters.

The contribution of micro and small enterprises: It is not uncommon that, the MSEs sector is often taken in as a crucial instrument in bringing about economic transition by effectively using the skill and talent of the people without demanding sophisticated training, a large amount of funds and complicated technology. Besides, the MSEs sector can also be depicted as the national home of entrepreneurship. As exhibited by some researchers, MSEs has the potential to provide the ideal environment for enabling entrepreneurs to optimally put into effect their talents and to attain their personal and professional goals (Carree and Thurik, 1998; Etsegenet A., 2000; Ali and Sims,2001; Paul and Andy, 2002; Trovato and Becchetti, 2002). It is clear that, in all successful economies, MSEs are seen as an essential springboard for growth, job creation, and social progress. Interestingly, the small business sector is also considered as an important force to: create employment opportunities and more equitable distribution of income; activate competition; make use of niche markets; improve level of productivity and technical change and all the way through the combination of all of the semeasures, to stimulate economic development (Zewde& Associates, 2002; Kiggundu, 2002; Becchetti and Trovato, 2002; Andy and Paul, 2002; Nuno and Santos; 2003).

When compared small enterprises with large firms, Small industries provide substantial scope for increasing employment opportunities as they are labor-intensive, and they require comparatively less capital. In addition, they can take lesser gestation period and can easily be set up in rural areas or even in backward areas. In line to this, they require relatively smaller markets to be economical and hence they have advantage in being set up as supplementary units. Furthermore, they act as a facilitator to the growth of entrepreneurship and encourage a more decentralized pattern of ownership and location (Geoffrey, 2004; Eijaz, 2005; Céline, 2005; Beck and Vojislav, 2005; Gebrehiwot and Wolday, 2006).

The significance of micro and small enterprises in developing countries: It is inevitable that in every economy, MSEs are believed to contribute to the Gross National Product (GNP), to alleviating poverty and to creating employment opportunities, and often specialize in areas that big companies are not interested in. Most often, MSEs are also supposed to be flexible and can react immediately to the changes in the environment (Janik, 2008). So pleasant that, in developing countries like Ethiopia, MSEs is the major source of employment and income for both the rural and urban population (Mulu, 2009). More importantly, MSEs contribute to the reduction of poverty and vulnerability of the poor through enabling them to crush the vicious cycle of poverty, and to enhance self-empowerment, respect and social dignity. Interestingly, as depicted by Chowdhury (2009), MSEs let poor people to increase their income, accumulate assets, and enter into mainstream society. Which mean, they take part in an increasingly significant role in poor people's lives, and are one of the keys to lifting people out of poverty. In line to these, MSEs represent a crucial part of the economy and of the labor market in many developing countries. Because, MSEs playing a major role in employment creation, production and income generation. The sector often tends to absorb most of the growing labor force in the urban areas, particularly in developing countries with a high rate of population growth and/or urbanization (Hussmans and Mehran, 2005, cited by Messay, 2008).

Beside, Solomon Wole (2004), also declares that, MSEs have a number of potential advantages to the economies of least developed countries. To elaborate his argument, he depicted that, MSEs are suitable to the factor endowments of least developed countries as they utilize domestic resources and use labor-intensive technology. MSEs also provide the basis for creation and promotion of entrepreneurial talents, serve as middlemen facilitating linkages among different sectors, and have substantial contribution of value added to the national economy (Torban, 2006).

Major Factors Influencing Micro and Small Enterprises' Growth

Age of owner/manager and its influence on MSEs growth: Some available theoretical discussion had been explaining the influence of the age of the owner/manager on MSEs growth. Accordingly, they advocate for the younger owner/manager. Thus, the arguments were based on the fact that the younger owner/manager has the necessary motivation, energy and commitment to work and is more willing to take risks(Federico et al., 2011, Evangelia and Bassima, 2002). The possible reason stated by them is that the older owner/manager is likely to have reached his/her initial aspiration when compared with the younger individuals. They also added in the literature that younger individuals may be more willing to take risks and grow their business. Relying on Federico et.al argument, a younger individual owner- manager may have a higher need for additional income than the older individual. However, though younger individuals' owner-managers have more inspiration to expand their business, they also may have fewer financial resources and fewer networks. By summing, according to Francisco and Roberto, (2007) the limited empirical evidence suggests that the owner-manager's age tends to benegatively related to growth of MSEs.

Sex of the owner/manager and its influence on growth: As some previous research analysis result suggested, male-headed MSEs are likely to expand more rapidly than female-headed MSEs (Woldie et al.,2008). Even when controlling for other variables such as sector and location of enterprises, however, enterprises owned by women grew at a significantly slower rate. One of the explanations stated here for this difference is that enterprises owned by women are often engaged in more slowly growing sectors. Possible explanations for these gender differences include such factors as possible differences in the business objectives of females and males. This and other related elements may lead them to use any available funds for diversification into new activities rather than for an expansion of existing ones (Brown et al., 2004, Akoten et al, 2006). In addition, Akoten et al, (2006) provide an understanding analysis of many of the factors constraining women's opportunities for MSE growth. Most of the time, almost all too often, women face asymmetrical rights and obligations limiting their labor mobility and burdening them with disproportionate household responsibilities. Due to gender-specific roles and time constraints, even university-trained women may choose to weave tapestries within the household. Women in some countries face greater problems within numeracy, illiteracy, and a lack of business skills. In addition, women commonly have unequal access to markets. It has been proposed in the literature that women may have fewer opportunities to develop relevant experiences may have fewer networks to get assistance and may have greater difficulty in assembling resources (Mcpherson et al., 2008). This is because, men owner/manager can sell in multiple markets more frequently than women, which allowing them to catch up additional growth opportunities. As a result of such factors, women frequently focus their MSEs on a relatively narrow range of industries.

Educational status of owner/manager influences on MSE growth: However, in the past it had generally been believed that small business owners would be less likely to seek to attain a formal schooling than those holding managerial positions in larger organizations, as individuals "followed in their father's footsteps. It is unquestionable as to the fact that, basic education improves the overall quality, value or extent of the owner/manager by providing him/her with basic numeric and literacy skills, thus increasing the chance of survival Tiruneh, (2011), Nor hafiz et al., (2011), Christian, (2010). The association between owner-managers' education and firms' performance as well as growth is depicted in the economic literature. It is obvious that, from the category of human capital effects on firms' competitiveness is resource allocating effect. In practice, such kind of effect is related to owner-managers' education, in that those with a relatively higher level of schooling have a greater ability to allocate resources efficiently to more productive lines of business and to select profit

maximizing inputs and /or combinations Miroslavmateev & Yanko Anastasov, (2010). Beside, Evaliina and Labinot, (2011), emphasize the role of entrepreneurial/business education in the growth/performance of the firm. Noticeably, they argue that a firm whose management has entrepreneurial education is likely to perform better than those manager slack entrepreneurial education. They added, loan providers use owner-managers' education status as an indication of the ability to utilize resources efficiently to generate profit and be able to meet their obligations effectively. Thus, firms those leaded or owned with relatively more educated owners are likely to have more access to financial sources. Most empirical evidence confirms that firms with better-educated owners and managers tend to be more productive (Mulu Gebreeyesus (2007), Mcpherson et al., (2010). Despite these potential benefits, education may also harm MSEs growth in cases in which owners change their special care to other attractive opportunities. Depending on the research result which was conducted on small manufacturing firms in Chile found that, university education did not succeed in persuading higher efficiency, because the highly educated owners paid little consideration to monitoring their labor force (Schiebold, 2011).

Firm age and its influence on growth: As some empirical research noticed, the link between firm age and growth in the MSE sector is essentially strong. On average, young MSEs grow significantly more rapidly than older counterparts. As Studies in both Africa and Lat in America show that, young MSEs are more likely to show high rates of growth than MSEs that have been in existence longer (Mead et al., 1998). A study studied by Mulu Gebreeyesus, (2007), revealed that the foremost expansion of energetic enterprises occurs during their third year of operation. On the other hand, numerous other studies have publicized that the average growth rate of firms decreases with age (woldie et al., 2008). Notice that while growth getting slows, productivity is estimated to increase as the firm ages and the owner likely to learn the firm's optimal synergy of operations. In reality, the clear cause of firm age on productivity is not so clear yet. Several scholars justify their reason in different angle for the association between firm age and productivity. For example, on one hand, as firms' age, firms may receive an advantage from learning by doing, which ensure them to develop knowledge and skill in production, managing, and marketing. Furthermore, several current studies on small firms in the United States show that firm age benefits productivity (Mateev and Anastasov,2010).

Business Type and its Influence on Growth: Interestingly, there were a significant number of studies carried out at different times to identify the effect of a firms sector on the growth of the firm. In reality, only a few studies showed as sector variables are not significantly influencing firm growth (Solomon (2004); Mulu (2007); Hussain and Zafaran (2010)). Different empirical studies revealed that firms operating in different sectors differ in terms of their investment decisions and productivity (Gavin C. Reid and Zhibin Xu, (2009); Brown (2004). As previous studies showed that, firm performance were substantial different with industry, with small firms in retail and personal service sectors having lower growth rates (Harabi, 2003). Thus, this empirical study could show the condition of being different in production technologies installed in specific industries that have a marked effect on the determination of the "optimal size" of the firm.

Market Access: Micro and small enterprises in Ethiopia have been facing various marketing or demand problems. As some finding revealed, marketing problem is the main constraint for the growth of enterprises (Rahel & Paul, 2010). Supplement to this, certain micro and small enterprises lack the skill to diversify their products and they have lack of sufficient range of product designs (Assegedech, 2004). Lack of product diversity in small firms encourages the overcrowding of the market by similar products. Usually demand problem or market constraints and the inability to sell their products and services are listed as one of the most serious obstacles to MSEs in Ethiopia (Ageba, 2006).For example, as CSA (2003) report showed that out of the total establishments, 48 percent of them have faced a problem of demand or access to market. This market problem has occurred because of deficiency of good inter linkage mechanisms with other enterprises and lack of appropriate marketing channels, open markets, exhibitions, trade fairs, displays centers etc which MSEs would have used to market their outputs (CSA 2003). Furthermore, poorly integrated markets may pass on inaccurate price information, leading to inefficient product movement.

Competition

Lack of business cooperation amongst enterprises: As some empirical findings demonstrate, the other factor that hinders growth and expansion of MSEs is the existence of good business cooperation with large or similar firms externally. For example, Gebrehiwot and Wolday, (2004) finding shows that a good portion (about 50 percent) of MSEs did not consider external formal and informal linkage as useful at all. This implies that, formal and informal business cooperation through networking or linkages were not common. Because of lack of sustainable networking, large public firms and non-governmental organization do not outsource some of their operations to local MSEs. Additionally, in Ethiopia, the legal and institutional mechanisms to enforce contractual obligations and government policy to design appropriate incentive mechanism to encourage the expansion of business linkages or cooperation is at its infant stage. Supplement to this, another study conducted by Eshetu & Mammo (2009) also demonstrates that there is poor association between enterprises. According to Eshetu and Mammo finding, the presence of low level of partnership and other forms of business undertakings could be due to the capacity of MSEs in Ethiopia.

Conceptual Framework: Conceptual framework refers to that concepts that relate to one another are used to explain the research problem. Hence, MSEs growth is affected by both internal and external factors, operators need to know what influences businesses to reach utmost growth. The external factors include working premises, marketing and financial related factors. The influence of these factors to the firm growth is very important but it is noteworthy that the management has no (little) control over them (Wanjiku, 2009). However, the factors must be closely monitored to ensure that tough measures are taken within the best time either to take advantage of the opportunities or keep save from the threats found in the external environment. The internal factors that influence the firm's growth can be classified as owner/manager demographic characteristics and firm nature and characteristics factors. To tie together the conceptual framework with the research objectives, MSEs growth is the dependent variable whereas owners/managers demographic characteristics, firm nature and characteristics, working premises factors, marketing

factors, and financial related factors are all independent variables while the dependent variable is MSEs growth which is measured against change in employment size since startup. Finally, their relationship can be expressed and shown delicately in figure 2.1 below.
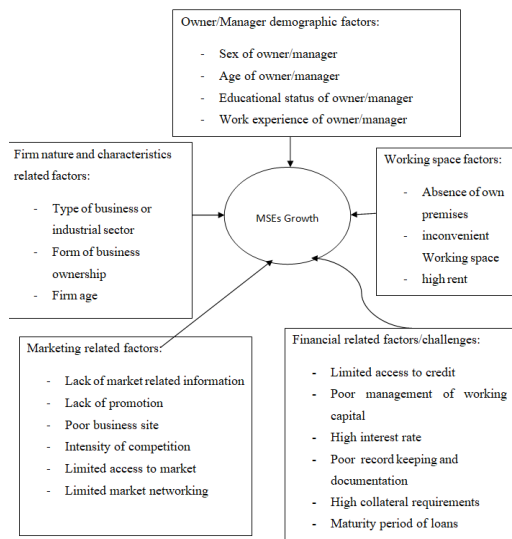
Source: Conceptual framework (Own Model)

Figure 2.1. Conceptual Framework
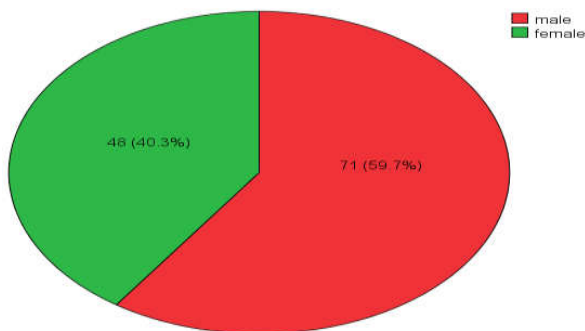
Source: Survey result (2019)

Figure 4.1. MSEs Growth with respect to Sex of Owner/Manager

RESEARCH METHODOLOGY

Description of the Study Area: West Arsi Zone is one of the eighteen Administrative Zones of Oromia National Regional State, bounded in south by Bale, on the South West by SNNPR, on the North West by Shewa, and on North by Afar Regional State and West Hararghe. Dodola is one of the district in West Arsi Zone of Oromia Regional State with a total population of 194,817, of which 35,043 of the population live in town, whereas the rest (159,774) are rural dwellers according to the 2007 census (FDRE Population Census Commission, 2008). The town is situated in South East Ethiopia, 320 Km and 75 Km away from Addis Ababa and Shashemene respectively.

Research Design: The cross sectional survey approach was used in gathering the data for the purpose of meeting the research objectives. A cross-sectional design focuses on a particular phenomenon at a specific period of time (Sounders, et al., 2007). Therefore, the researcher used a cross-sectional study because data was collected from a cross-section of owners/mangers of MSEs once and not for different periods of

time. With regard to the respondents, the owner/manager of each targeted firms were the respondents of this study because of not only their involvement and responsibility in the areas but also their knowledge and information they have about MSEs strategy, structure, and related facilities of the firm. The researcher collected all the distributed questionnaires (119 questionnaires) without any defect and missing data. This 100 percent response rate might be the result of the direct contact method through telephone and data numerators that the researcher used in order to have the desired information.

Types and Sources of Data: Both primary and secondary sources of data were employed to achieve the intended objectives of the study. With regard to primary data, questionnaires (both close-ended and open-ended questionnaires), interview and focus group discussions were designed and administered for the selected sample of MSEs respondents. To substantiate the data and to get clarification on some issues, qualitative data were collected through key informant interviews, open-ended questionnaires and Focus Group Discussion. On the other hand, Quantitative data were collected through close-ended questionnaires.

Target Population of the Study; The main participants of the study were micro and small enterprise owners/managers of Dodola town. The enterprises are operated by a total of 927 potential entrepreneurs. Besides, Woreda MSE promotion office organizers, managers of the microfinance institutions working in the district were included.

Sampling Techniques and Size Determinations: For the purpose of the study a probability sampling design-stratified random sampling method was adopted and considered appropriate to gather the data from different sizes of the MSEs. This technique was preferred because it is used to assist in minimizing bias when dealing with those populations who are heterogeneous in nature. With this technique, the sampling frame can be organized into relatively homogeneous groups (strata) before selecting elements for the sample. According to Janet (2006), this technique increases the probability that the final sample will be representative in terms of the stratified groups. The strata's were sectors including: Trade, Manufacturing, Construction, Services and Urban-agriculture. Finally, a sample size determination formula provided by Yamane (1967) was used to arrive at a sample size of 119 enterprises with a 95 percent confidence level and 0.05 level of precision since it was relevant to studies.

The equation used is:

$$n = \frac{N}{1 + N(e)^2} = \frac{169}{1 + 169\,(0.05)^2} = 119 \text{ respondents}$$

Where, n= the sample size, N= is the target population or total population size and $e =$ is the level of precision or sampling error. After deciding the sample size for the whole population, further calculation was needed to decide the number of enterprises to be taken from each stratum using proportional allocation. Thus, the enterprises were grouped into five strata, namely, trade, manufacturing, urban agriculture, construction and services, to decide number of respondents from their respective strata by using probability proportional to size. In this study proportional allocation was used so that each stratum contributed to the sample a number that was proportional to its

size in the population. Thus, to determine the sample size by strata from each stratum the following formula was used.

$$n_k = \left(\frac{n}{N}\right) N_k$$

Where, $n_{k=}$ the sample size for k^{th} strata, N_k=the population size of kth strata, N= the total population size, n=the total sample size

Data Collection Methods and Instruments: To collect relevant data from different sources, multiple data gathering techniques/ instruments were employed for triangulation purpose. Therefore, the instruments that were employed to collect relevant information to make the research findings more valuable during data gathering stage were questionnaires (both close-ended and open-ended questionnaires), key informant interviews, and Focus Group Discussions (FGDs).

Data Analysis Methods and Presentation of the Findings of the Study: Both quantitative and qualitative analysis techniques were utilized in this study. Information obtained through key informant interviews, open-ended questionnaires and Focus Group Discussion were analyzed using qualitative analysis techniques mainly narration and discussion. The data collected through close-ended questionnaires was analyzed by using two statistical techniques: descriptive and inferential. Descriptive statistical methods such as frequency, percentage, mean, standard deviation and tables were used to summarize and describe the characteristics of the variables. For further illustration, bar charts and pie charts were used. Inferential techniques such as Pearson chi square (x^2) and t-test statistics were used to test the formulated hypothesis and to draw conclusions. Pearson chi-square correlation was used to examine the relationship between study variables. T-test was employed to see the association of continuous variables with the aim of testing the proposed hypotheses related to the MSEs growth and to draw conclusions.
By summing, all the analysis were conducted through Statistical Package for Social Sciences Software (SPSS) version 20.

RESULTS AND DISCUSSION

Demographic Characteristics and its influence on MSEs Growth

Sex of the Owner/Manager and its influence on MSEs Growth: Just similar to other country, our country, Ethiopia is not exceptional both females and males are working in MSEs at different positions, as owners, managers or employees. Meanwhile, the number of or percentage of their involvement in such enterprises is not uniform, as it was indicated clearly in the following pie chart. As figure 3 result shows, out of the total respondents (119 MSEs), 59.7 percent(71 MSEs) were owned/ managed by male owners, whereas, the remaining 40.3 percent (48 MSEs) in this study were owned/managed by female owners/managers. This implies that, out of the sampled MSEs in Dodola town, more than half of MSEs were managed or headed by male and few of them were headed by female owners/managers. This percentage is consistent with the MSEs business environment in Ethiopia, in which 34 percent and 66 percent of Ethiopian MSEs beneficiaries are female and male respectively according to current Federal MSEs Development Package, (2015). Table 1 result shows, enterprises led by male owners/managers showed14.1 percent growing and 85.9

percent survival, while enterprises managed by female owners/managers revealed2.1 percent growing and 97.9 percent survival during their operation time up to-date. By taking into account employment size as a measure of enterprises/firm growth, the growth rate is larger for the male manager than female headed counterpart. This result could put forward that, enterprises headed by a male owner/ manager show larger chance of growth than those enterprises headed by female owner/ manager. This is consistent with the previous studies conducted by (Gebreyesus, 2007; Habtamu et al., 2013) that found female headed MSEs especially in developing countries are more or less survival type as compared to male headed counterparts. The result of this study also indicated female headed MSEs have a slightly smaller tendency of growth as compared to male headed MSEs.

To examine the difference in the growth of MSEs in different age level on average, the sampled age is considered as continuous variable as it was depicted in the table above. As it was indicated in the table 2 from the total sample taken, 11 enterprises are headed by owners/managers in the average age of greater than or equal to 32 years old. On the other hand, out of the total sampled enterprises, 108 enterprises are headed by owners/managers in the average age of less than or equal to 29 years old. When we look at the growth of those MSEs in this age category on average, the older people showed more growth than the young people relatively with 31.82 (5.947) and 29.05 (6.33) mean and standard deviation respectively. So, MSEs those owned or managed by individuals on average with the age greater or equal to 32 years old show more growth at a mean value of 31.82 on average than those managed by on average less than or equal to 29 years old with mean value of 29.05. This supplements that, the growth is high for businesses owned/ managed by individuals on average greater than or equal to 32 years age old and less on average for less than or equal to 29 years age old. This is because owners/managers at average age of 32 are more familiar with the business environment.

Education Level of Owner/Manager with respect to MSEs Growth: As indicated on the above table3, from enterprises owned/managed by individuals with no education level,16.7 percent of them were growing and 83.3 percent of them were survival through their whole life time up to now. Enterprises owned/ managed by peoples with primary school level of education had growth rate of 11.4 percent and 88.6 percent of them were found survival in their whole operational life time up to date. Enterprises owned/ managed by peoples of high-school education or graduation had growth rate of9.5 percent, whereas 90.5 percent are survival during their operation up-to-now. With respect to growth of the enterprises under college or university category of the educational level of the owners/managers of the enterprises; they showed an MSEs growth rate of 5.6 percent, on the other hand,94.4 percent are survival from the time of their establishment up-to-date. This table showed that, enterprises managed by the owner/manager of no schooling group have more growing chance than the other counterparts, followed by elementary schooling owner/ manager and high schooling owner/manager relatively accounts about 16.7,11.4and 9.5percent respectively. And enterprises managed by higher institution people were growing slowly when compared with other educational category at 5.6 percent. Even if lacks of education have negative implication on business growth, the result of this study showed that, MSEs growth rate is higher for those who have no certificate

Table 4.1:MSEs Growth with respect to Sex of the Owner/Manager

Variable		Categorized growth rate		Chi-square value
		Survival (108)	Growing (11)	
		Frequency (percent)	Frequency (percent)	
Sex of manager	Male	61 (85.9%)	10 (14.1%)	4.917**
	Female	47(97.9%)	1 (2.1%)	

*, **, and *** significant at 1%, 5% and 10% probability levels respectively; Source: Survey result (2019)

Table 4.2: MSEsGrowth with respect to Owner/ Manager Age

Variable	Categorized growth rate		t-value
	Survival (108)	Growing (11)	
Age of owner/manager	Mean (std. deviation)	Mean (std. deviation)	1.390**
	29.05 (6.333)	31.82 (5.947)	

*, **, and *** significant at 1%, 5% and 10% probability levels respectively Source: Survey result (2019)

Table 4.3. MSEs Growth with respect to Education level of owner/manager

Variable		Categorized growth rate		Chi-square value
		Survival (108)	Growing (11)	
		Frequency (percent)	Frequency (percent)	
Education level	Uneducated	5 (83.3%)	1 (16.7%)	

Table 4.4. MSEsGrowth with respect to Length of Owner/Manager Work Experience

Variable	Categorized growth rate		t-value
	Survival (108)	Growing (11)	
Experience of owner/manager	Mean (std. deviation)	Mean (std. deviation)	0.360
	2.95 (1.241)	3.09 (0.701)	

*, **, and *** significant at 1%, 5% and 10% probability levels respectively; Source: Survey result (2019)

Table 4.5: MSEs Growth with respect to Business Type/Industrial Sector

Variable		Categorized growth rate		Chi-square value
		Survival (108)	Growing (11)	
		Frequency (percent)	Frequency (percent)	
Industrial sectors	Trade	52 (100%)	0 (0%)	33.195*
	Service	36 (94.7%)	2 (5.3%)	
	Construction	5 (62.5%)	3 (37.5%)	
	Manufacturing	8 (57.1%)	6 (42.9%)	
	Urban agriculture	7 (100%)	0 (0%)	

*, **, and *** significant at 1%, 5% and 10% probability levels respectively Source: Survey result (2019)

Table 6. MSEs Growth with respect to Form of Enterprises Ownership

Variable		Categorized growth rate		Chi-square value
		Survival	Growing	
Form of enterprise ownership	Sole proprietorship	64 (97%)	2 (3%)	6.819*
	Partnership	44(83%)	9 (17%)	

*, **, and *** significant at 1%, 5% and 10% probability levels respectively; Source: Survey result (2019)

Table 7. MSEs Growth with respect to Age of the Firm

Variable	Categorized growth rate		t-value
	Survival (108)	Growing (11)	
Age of the firm	Mean (std. deviation)	Mean (std. deviation)	1.390
	2.759 (1.332)	2.727 (1.009)	

*, **, and *** significant at 1%, 5% and 10% probability levels respectively; Source: Survey result (2019)

Table 8. MSEs Growth with respect to Working Premise Location/Site

Variable		Categorized growth rate		Chi-square value
		Survival (108)	Growing (11)	
		Frequency (percent)	Frequency (percent)	
Working premise site	Within home	42 (89.4%)	5 (10.6%)	0.180
	Independent	66(91.7%)	6 (8.3%)	

*, **, and *** significant at 1%, 5% and 10% probability levels respectively; Source: Survey result (2019)

Table 9: MSEs Growth with respect to Location Attractiveness

Variable		Categorized growth rate		Chi-square value
		Survival (108)	Growing (11)	
location attractiveness	Yes	44 (89.8%)	5 (10.2%)	0.092
	No	64(91.4%)	6 (8.3%)	

*, **, and *** significant at 1%, 5% and 10% probability levels respectively;
Source: Survey result (2019)

Table 10: MSEs growth with regard to high competitive pressure

Variable		Categorized growth rate		Chi-square value
		Survival	Growing	
Intensive competition	Yes	78 (90.7%)	8 (9.3%)	0.001
	No	30 (90.9%)	3 (9.1%)	

*, **, and *** significant at 1%, 5% and 10% probability levels respectively;
Source: Survey result (2019)

Table 11: MSEs Growth with respect to Customers Networking

Variable		Categorized growth rate		Chi-square value
		Survival	Growing	
Having regular networking with target customers	Yes	43 (84.3%)	8 (15.7%)	4.416**
	No	65 (95.6%)	3 (4.4%)	

*, **, and *** significant at 1%, 5% and 10% probability levels respectively;
Source: Survey result (2019)

Table 12: MSEs Growth with regard to Sound Business Plan

Variable		Categorized growth rate		Chi-square value
		Survival	Growing	
Having sound business plan	Yes	44 (40.7%)	8 (72.7%)	4.152 **
	No	62 (92.5%)	3 (27.3%)	

*, **, and *** significant at 1%, 5% and 10% probability levels respectively
Source: Survey result (2019)

Table 13: MSEs Growth with respect to External Linkage/Association

Variable		Categorized growth rate		Chi-square value
		Survival	Growing	
Network/ association with external firms	Yes	45 (41.7%)	8 (72.7%)	3.899**
	No	63 (58.3%)	3 (27.3%)	

*, **, and *** significant at 1%, 5% and 10% probability levels respectively;
Source: Researcher's Survey (2019)

Table 14: MSEs Growth with respect to Access Market Demand/Market Access

Variable		Categorized growth rate		Chi-square value
		Survival	Growing	
Adequate market demand	Yes	34 (31.5%)	7 (63.6%)	4.571**
	No	74 (68.5%)	4 (36.4%)	

*, **, and *** significant at 1%, 5% and 10% probability levels respectively
Source: Survey result (2019)

(no schooling, elementary and high school) than owned/managed by college or university graduate relatively. This result is consistency with Gavin, C. Reid and Zhibin Xu, (2009), demonstrated that owner/managers of MSEs who had degrees generally achieved lower rates of growth than those less well educated. As Pearson chi-square test presented in the above table illustrated clearly, education do not have a significant effect on enterprise growth.

MSEs Growth with respect to Work Experience of Owner/Manager: Individuals are also differ in their work experience. Because of this fact, in this study, the owner/manager work experience in their independent enterprise as an entrepreneur or in this position held is considered as factor which expected to create variations on the growth of MSEs. From the above table, 11 owners/ managers of MSEs in this study have more than3 years long working experience in their own independent enterprises.

In terms of growth, those 11 enterprises owned/ managed by individuals with more than 3 years work experience exhibited more growing rate with mean of 3.09 and standard deviation of 0.701.On this line, 108 MSEs are owned/ managed by owners/managers of less than 3 years work experience on average.

With respect to the growth of those enterprises in this category on average are survival with a mean value of 2.95 and standard deviation of 1.241 during their operation. With respect to MSEs growth, those enterprises managed by owners/managers with more long experiences have more opportunities to develop than enterprises managed by less experienced owners/managers. This study confirmed that, increasing in work experience of the owner/manager resulted in the increase of average growth of those enterprises.

Firm Nature and Characteristics with respect to MSEs Growth

Business Type or Industrial Sector and MSEs Growth: The sampled MSEs for this study were functioning in five industrial sectors or business types. Relying on the given data from the sampled MSEs, majority of them are engaged in trade sectorswhichrepresents52 (43.7 percent), followed by services38 (31.9percent), whereas, the remaining are construction8 (6.7percent), manufacturing 14 (11.8percent) and urban agriculture7 (5.9 percent) respectively. Among those MSEs that are engaged in manufacturing sectors (14 MSEs), 6 (42.9 percent) of them are growing and the remaining 8 (57.1 percent) of MSEs are survival. Whereas, from those MSEs engaged in construction sectors (8 MSEs), only 3 (37.5 percent) of MSEs are growing and the remaining 5 (62.5 percent) of MSEs are falling in survival. From those MSEs that are engaged in service sectors (38 MSEs), 36 (94.7 percent) of them are survival and only 2 (5.3 percent) of them are growing. The remaining two sectors (i.e., trade and urban-agriculture sectors) are falling in survival wholly. This implies that, Manufacturing and construction sectors took the largest share from growing portion (i.e., manufacturing 42.9 percent and construction 37.5 percent) from the sampled MSEs. On the other hand, the growth rate is very limited or null to trade and urban agriculture sectors, and thus they are found in survival wholly in this specific study. The possible reason for this growth difference is due to the capital and labor intake capacity of manufacturing and construction sectors, which is consistent with the finding of Mulu Gebreyesus (2007) and Liedholm (2001). As revealed on the above Pearson chi-square test table, the MSEs growth is statistically different for the difference in industrial/business sectors at 1 percent probability level.

Form of Business Ownership and MSEs Growth: As indicated in the above table6, firms organized with partnership form of ownership have higher probability of growth rate (17 percent) than firms with sole proprietorship form of ownership (3 percent). On the other hand, among the sampled MSEs, 97 percent of sole proprietorships of MSEs are survival when 83percent of partnerships of MSEs are survival. This is consistent to Mcpherson et al. (2008) finding that firms organized with partnership form have higher opportunity of growth than firms with sole proprietorship form of ownership. As a result, this study could notice that, enterprises formed in the form of partnership of ownership have higher chance of growing than those enterprises established in the form of sole proprietorship form of ownership. The Pearson chi-square (X^2) result suggests that there is statistically a strong association between the form of business ownership and MSEs growth.

MSEs Growth and Age of the Firm: From the above table, out of the total sampled (119 MSEs),11of them have an experience year of 2.727 mean and 1.009 standard deviation on average. On the other hand, 108 of MSEs from the sampled enterprises have stayed in the business on average a year of 2.759 mean and1.332standard deviation on average. This implies that, on average the mean of those survival MSEs (2.759) and those growing MSEs (2.727) is almost equal, which mean, duration of firm age within business enterprises or long year experience does not affect the growth of MSEs in this study area. As t-test result explicitly demonstrated in the above table, the MSEs growth is statistically not different for the difference in firm age.

Some Major Selected Factors those Affecting MSEs Growth

Working Premise Location/Site and Source of working place: As it was already presented in the above table, out of the sampled MSEs,5 (10.6 percent) of the growing and 42 (89.4 percent) of the survival MSEs operates within home compound or in their residential house (i.e., in home).Whereas, the rest 6 (8.3 percent) of the growing MSEs and 66 (91.7 percent) of the survival MSEs operates in an independent or separate business house (i.e., out of home).From this result, the MSEs that operating their activities in home showed a higher growing rate (10.6 percent)than the MSEs that operating in an independent house (8.3 percent). This implies enterprises located in residential house (home) have more chance of growing than enterprises operating at independent business house. The probable reason behind this rational is: those MSEs that operate within home compound have no additional expenses for renting (i.e., they did not incur additional expense for housing rent) which kept and serve for business expansion. The second reason is they operate for a maximum hours as compared to those MSEs in an independent house counterpart. As the above table unconditionally described, from the sampled MSEs, from those enterprises operating at attractive or convenient business area, 89.8 percent of them are falling in survival and 10.2 percent is growing. From those MSEs found in poor business location, 91.4 percent of them are survival and only 8.3 percent of them are growing. This finding revealed that, the growth rate for those MSEs that had attractive business location are greater than those MSEs found in poor business location. Though the growing probability for those enterprises working in an attractive business area are higher than those enterprises operating in an unattractive working place, location attractiveness has no statistically a significance difference on enterprises growth. This study suggested that, when employee size is used as growth measure, growths of MSEs are not significantly different at different location statistically.

Marketing Related Factors

Existence of Intense Competition market and Major Competitors: To sum up, as Pearson chi-square test result demonstrated, statistically the presences of high competitive pressure in the area have no significant difference on MSEs growth. This implies that, the existence of high competition pressure in the town does not affect the growth of MSEs statistically when employment size is used as a proxy of growth.

Setting Regular or Continuous Networking with Customers: Astable11unambiguously depicted, from enterprises that lacked regular networking with their target customers, almost all (95.6 percent) of them are found in survival and only 4.4 percent of them are growing. Whereas, among those enterprises that had regular networking extension with their target customers, about 84.3 percent of them are at survival and 15.7 percent of them are growing. As table above clearly demonstrated, the growth rate for those enterprises which had normal or regular networking with their target customers is greater than those lacked normal networking. Thus, those MSEs which have continuous customer linkage or network grew more than businesses run with less or limited customer linkage or network. Finally, Pearson chi-square test result shows that, statistically there is a difference on MSEs

growth with respect to the difference in customers networking or linkage channel.

Having Sound Business Plan: As the above table 12explicitly explained, among the sampled MSEs, from those MSEs who have sound business plan, 40.7 percent of them were survival and 72.7 percent of them were growing. On the other hand, among those MSEs that lacked sound business plan, around 92.5 percent were survival and only 27.3 percent of them were growing. It is clear that, the growth rate for those MSEs who have all-embracing or sound business plan is greater than those lacked of sound business plan. Pearson chi-square test also confirmed that, statistically there is a difference on MSE growth with the difference in sound or all-embracing business plan. In view of the table 13, from those enterprises which had formal or informal business linkage about41.7 percent of them are survival and 72.7 percent are growing. Contrary to this, from those enterprises which lacked formal or informal business network/association, around 58.3 percent of them are in survival and only 27.3 percent of them are growing. This finding clearly stated that, the growth rate for those MSEs which have wide-ranging business association or linkage is greater than those MSEs that lacked formal or informal business network or cooperation. So, based on this study, it is possible to note that, those enterprises that have formal or informal business linkage or association with other firms during their operation have better probability of growing than those that lacked business association with external firms.

Pearson chi-square test result shows that, there is statistically a difference on MSEs growth with the difference in formal or informal business association or network. Therefore, having mutual formal or informal business association have statistically a significance effect on MSEs growth at five percent probability level when growth is measured by employment size.

Adequate Market Demand/ Market Access: Accessibility of market demand or market access for their products is important for sustainable growth of MSEs. According to the data presented in the table14, out of those enterprises that have adequate market demand, 31.5 percent is survival when 63.6 percent is growing. On the other hand, Out of those enterprises that lacked adequate market demand, 68.5 percent of them are survival and 36.4 percent are growing. This reveals that, enterprises working with sufficient market demand grew more than those enterprises' operating with limited market demand. Pearson chi-square test result, accessibility of adequate market demand or market access is statistically a significance effect on MSEs growth. This study confirmed that, MSEs grow this statistically different with different market demand at 5 percent probability level.

Conclusion and Recommendation

Conclusion

The statistical result, chi-square test and t-test was used to test as there is a significant difference in the growth of MSEs with respect to those selected variables when growth is measured by using employment size. While some of the findings support commonly held beliefs, others suggest that some popular concepts regarding small business growth may need to be re-examined. The demographic characteristics of the respondents were described and also the effects of their variations towards MSEs growth were tested by using Pearson Chi-square test and t-test. The result from Pearson chi-square test and t-test indicated variations with respect to the sex of the owner/manager and age of the owner/ manager have statistically significant difference towards the rate of growth of MSEs in Dodola town. That means the rate of growth between sex category and among age group of the owner/manager are not the same. With respect to firm nature and characteristics, business type and form of business ownership are statistically affecting the MSEs growth. The growth of firms is also affected by the sector in which the business operates. Firms in manufacturing and construction are growing faster than those in trade, service and urban agriculture sectors. As well, MSEs formed with partnership form of ownership shows a better growth of employment growth, which is in line with the finding of Robson and Obengo (2008).

But the study shows there is no significant difference between MSE growths with respect to the variation in the age of the firm when growth is measured by using employment size. Similarly, the statistical result for the dependent variable that is employment shows, there is a significant variation in the growth of MSE with respect to customer networking practice, having sound business plan, by having regular formal or informal business association/linkage practice, availability of market demand or market access for its products. But the statistical result shows there is no difference in growth between MSE with respect to the difference in working premise location/place, location attractiveness in market. In neither of the statistical test availability of intensive competition market and variation in location of business were found to be relevant to MSE growth.

Recommendation

On the bases of the findings of this research, the following recommendations are forwarded:

- Thus, it is better if most of the MSEs support programs should exert its utmost effort to put advancement of women as one of their objective. Unfortunately women-owned/managed enterprises are concentrated on commercial activities with low growth prospect. therefore, increase the involvement of women in the sectors with high potential for growth than merely on commercial activities in order to put those female headed businesses on the fast train through which the countries growth may be accelerated.
- In Ethiopia the largest percentage of age group is the young age group which constitutes those working age less than 35 years. As the country has a plenty of young age group when we compare with the total population, the country can obtain a lot benefit from this. So government and other stake holders may help those peoples enter in to business if the country is intended to be on fast lane.
- With respect to sound business plan, those enterprises that running with up to sound business plan shows better growth. If that is so, it will be better if government, non-government and stakeholders of the sector work on preparing training programs so that they can prepare, modify or improving their business plan timely especially to those entering into the sector without any previous business planning background.

- it is better if the owner/manager increase their access bases for its products in order to ensure sustainable growth of MSEs.
- To this end, the other area that this study wants to suggest is business networking (i.e., both customer linking and business association) practices of the enterprises. The Pearson chi-square result shows those enterprises that have regular customer networking and formal and informal business association practice shows better growth. If that is so, all MSEs should start making a formal or informal business association practice.

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