



St. Mary's ቅድስት ማርያም
University ዩኒቨርሲቲ
Committed to Excellence

**FACTORS INFLUENCING THE PERFORMANCE OF FOOTWEAR
INDUSTRY IN ETHIOPIA: THE CASE OF SELECTED SMES IN ADDIS
ABABA**

BY

TEHUT MOGES

ID No:SGS/0166/2007A

PHONE NUMBER-0965606599

ADVISOR

EPHREM ASSEFA (PHD)

DECEMBER 2020

**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUTE STUDIES
FACULTY OF BUISNESS**

**FACTORS INFLUENCING THE PERFORMANCE OF FOOTWEAR
INDUSTRY IN ETHIOPIA: THE CASE OF SELECTED SMES IN ADDIS
ABABA**

**BY
TEHUT MOGES**

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY SCHOOL OF
GRADUATE STUDIES IN PARTIAL FULFILMENT OF THE
REQUIRMENTS FOR THE DEGERE OF MASTER OF BUSINESS
ADMINSTRATION**

ST.MARY'S UNIVERSITY
SCHOOL OF GRADUTE STUDIES
FACULTY OF BUISNESS

FACTORS INFLUENCING THE PERFORMANCE OF FOOTWEAR
INDUSTRY IN ETHIOPIA: THE CASE OF SELECTED SMES IN ADDIS
ABABA

APPROVED BY BOARD EXAMINERS

Dean, Graduate Studies

Ephrem Assefa (Ph.D)

Signature & Date

[Signature] 10/03/2021

Advisor

Abraraw Chane (PhD)

Signature & Date

[Signature]

External Examiner

Abraw G, PhD

Signature & Date

[Signature]

Internal Examiner

[Signature]

Signature & Date

CERTIFICATION

This is to certify that the thesis prepared by Tehut Moges, entitled “Factors influencing the performance of footwear industries: The case of SMEs in Addis Ababa” and submitted in partial fulfillment of the requirements for the masters of business administration complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

Advisor: Ephrem Assefa (Ph.D)

DECLARATION

I Tehut Moges declare that the thesis entitled “Factors influencing the performance of footwear industries: the case of SMEs in Addis Ababa” is prepared with my own effort. I have made it independently with the close advice and guidance of my advisor.

Tehut Moges _____

Signature  _____

Date 10/3/2021 _____

Acknowledgements

All praise is due to the Almighty GOD for granting me the power, courage and wisdom to finish my study Thank you GOD. I would like to take the opportunity to thank all those people who have contributed to this work over the of time period. First and foremost, I would like to express my deep sense of gratitude and appreciation to my advisor Dr. Ephrem Assefa, for his critical review, relevant advice and valuable comments. Furthermore, this study could not be completed without the encouragement; patience and support of my beloved husband (Yoseph taye) and kids (Melona and Meklit) and also all my family and friends. Finally, I would like to extend my deepest gratitude to all shoe's makers for their valuable supports in moral and ideas.

List of Figure

Figure 1. Conceptual frame work	17
Figure 2. Map of Addis Ketema sub city.....	19
Figure3. Stratified sample size of SMEs.....	21

List of Tables

Table 4.1.Respondent's Gender	24
Table 4.2.Respondent's Age	24
Table 4.3.Respondent's Education level.....	25
Table 4.4.Respondent's Business experience.....	25
Table 4.5 Respondents Business formation.....	26
Table 4.6.Influence of technology on shoe Performance.....	27
Table 4.7.Influence access to finance on Performance.....	28
Table 4.8. Influence of managerial Performance	30
Table 4.9.Influence of brand on Performance.....	31
Table.4.10 Influence of fair competition Performance.....	32
Table.4.11 Shoe manufacturing Performance Measurements.....	34
Table.4.12 Correlation Analysis.....	35
Table 4.13 Overall mean.....	36

List of Acronyms

SME	Small and medium enterprise
CSA	Central Statistical Agency
ECBP	Engineering Capacity Building program
ELIA	Ethiopian Leather Industries Association
ELICO	Ethiopia Leather Industry Private Limited Company
GDP	Gross Domestic Product
GOE	Government of Ethiopia
LIDI	Leather Industry Development Institute
LLPI	Leather and Leather Products Institute
LLPTI	Leather and Leather Products Technology Institute
MoTI	Ministry of Trade and Industry
MTFF	Mean time to first failure
MTBF	Mean time before failure
UNIDO	United Nations Industrial Development Organization
ECCSA	Ethiopia chamber of commerce and secretarial association
SD	strongly disagrees
D	disagrees
N	neutral
A	agree
SA	strongly agrees

Abstract

The Government of Ethiopia give the leather footwear industry as a priority area because of the fact that the sector has a huge potential of livestock population, its performance is unsatisfactory due to external and internal problems that hinders its competitiveness in the market specially the local leather footwear manufacturing firms. Thus the aim of this study is to analyze the factors influencing the performance of footwear industries in case of SME in Addis Ketema. Pertinent data were gathered through structured questioner. Stratified sampling technique was used to collect data from 290 respondents working in the footwear industry. The determinant factors are capital, technology, consumer, brand awareness, managerial practices, competition and productivity analyzed based on the selected conceptual framework. Quantitative research approach was applied in order to achieve research objectives. The research applied mixed research approach and descriptive design. The results of the study indicate that most of the respondents were male, adult, with legal formation of enterprise and having 3-5 years of business experience and they agreed that the company were positively affected by the influencing variables such as technology, access to finance, managerial practice and fair competitions and brand reputations. The other results of the study indicate that the highest agreement level recorded in the area were access to finance questions and brand reputation respectively. Based on the research finding in order to increase the performance of local footwear firms in the market, it is recommended that firms have to improve their financial status, technological capability, management practice and competition. On the other hand, the government has to introduce special incentives, that promote the manufacturing industry in terms of finance accessibility and promotional support in addition to this the government should provide trainings, seminars and workshops.

Keywords: footwear industry, performance, SME, Addis Ababa

Table of Contents

CERTIFICATION	i
DECLARATION	Error! Bookmark not defined.
Acknowledgements.....	iii
List of Figure.....	iv
List of Tables	v
List of Acronyms.....	vi
Abstract.....	vii
CHAPTER ONE	1
INTRODUCTION.....	1
1.1. Background of the Study.....	1
1.2. Statement of the Problem.....	2
1.3 Research question	4
1.4. Objective of the study	4
1.4.1. General Objective	4
1.4.2. Specific Objectives	4
1.5. Significance of the study.....	4
1.6. Scope of the Study	5
1.7. Limitation of the study.....	6
1.8. Definition of key operational terms	6
1.9 Organization of the study.....	7
CHAPTER TWO	7
LITERATURE REVIEW	7
2.1. The Background of the Footwear Industry	7
2.2. Footwear industry in Ethiopia.....	8
2.3. The contribution of the footwear industry	9
2.4. Factors influencing footwear industry	10
2.4.1. Capital	10
2.4.2. Technology	11
2.4.3. Consumer	11
2.4.4. Managerial practice	12
2.4.5. Brand awareness	13

2.4.6 Competition	14
2.4.7 Productivity	15
2.5. Empirical review of studies conducted on footwear industry	15
2.6. Conceptual framework of the study	18
CHAPTER THREE	19
RESEARCH METHODOLOGY.....	19
3.1 Description of the study area	19
3.2 Research approach	20
3.3 Research design	21
3.4 Research respondents	21
3.5 Sampling and sample size determination.....	21
3.6 Population and sampling technique	21
Figure3. Stratified sample size of SME.....	22
3.7. Data collection instruments.....	22
3.8 Reliability and Validity Tests	23
3.8.1. Reliability test	23
3.8.2. Validity Test	23
3.9 Ethical considerations	23
CHAPTER FOUR	24
DATA PRESENTATION, INTERPRETATION AND FINDINGS.....	24
4.1 Data Result Presentation and Interpretation.....	24
4.1.1 Profile of survey firms	24
4.2. Factors influence on Shoe manufacturing Performance	27
4.2.1. Influence of technology on shoe manufacturing Performance	28
4.2.2. Influence Access to finance on Shoe manufacturing performance	29
4.2.3. The influence of Managerial practice on shoe manufacturing Performance	30
4.2.4. Influence of Brand awareness on manufacturing Performance	31
4.2.5. Influence of fair competitions on performance	32
4.2.7. Measurements of shoe manufacturing Performance	33
4.3. Relationships between determining factors of footwear industries and their performance	35
4.3.1. Correlation Analysis	35
4.4. Findings.....	37

CHAPTER FIVE	39
SUMMARY .CONCLUSION AND RECOMMENDATION	39
5.1. Summary	39
5.2. Conclusion	39
5.3 Recommendation	40
Appendex.....	D

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

The government of Ethiopia is promoting the leather manufacturing sector as a priority subsector and the sector has a huge potential to develop an economy. It is capable of accelerating economic development by creating more employment, generating income through exports, and offering investment potential because of its large livestock resource and competitively priced labor force. The country is highly endowed with livestock resources; ranking first in Africa and is among the top ten countries in the world (Antigegn kebede 2019).

Global footwear market size was valued at \$365.5 billion in 2020, and is estimated to reach \$530.3 billion by 2027 with a CAGR of 5.5% from 2020 to 2027. Footwear is used for covering and protecting the foot from ground textures, temperatures, and from gravel roads. Footwear is made up of different materials such as leather, plastic, rubber, and fabric. Among these, leather is one of the prominent materials used for fabricating footwear. Major players, such as Nike, use eco-friendly raw materials, including recycled car tires, recycled carpet padding, organic cotton, and vegetable-dyed leathers for producing footwear(alliedmarketresearch.com).

The footwear industry constitutes an important sector of the economy of developing countries for the following reasons. Firstly, footwear may be considered as a basic needs item, following closely, in importance, other items such as food, shelter and clothing. Secondly, the manufacture of footwear uses relatively labor-intensive processes, and thus contributes substantially to employment generation. Thirdly, this sector can, in some cases, generate important backward linkages whenever leather is locally produced. Forward linkages are also generated in the marketing of footwear. Finally, developing countries enjoy a comparative advantage in the manufacture and export of footwear to industrialized countries: thus, this sector could be the source of much needed foreign exchange. Recently the government of Ethiopia is giving special attention for the leather industry as a priority area and the sector has huge potential to be one of prominent industries to enhance the Growth and transformation plan (NebiyuTsfahun, 2015).

Ethiopia is endowed with hide and skin the leather industry is facing different impediment for not being able to be the prominent industrial sector. The major problems related to the leather industry includes, wages and poverty issues; Physical infrastructure and customs; Access to finance; Design weaknesses; Competition with low-cost shoe imports. The above all problems related to the leather industry influences the quality of leather products and the overall market (UNIDO 2012).

This study is therefore, aspires to identify the major factors influencing footwear industry. Conducting the research on this issue is very significant for the footwear industry to improve the market of Ethiopian leather products through filling the gap in the industry. The study will suggest possible solutions for the problems to improve the factor influencing footwear industry designer's tanneries hide and skin collectors, the government bodies, will be able to use the research findings for analyzing footwear industry and also researchers may use the paper for further research.

1.2. Statement of the Problem

Ethiopian footwear sub-sector produces men's casual shoes and children's shoe-uppers made from pure leather. Leather factories sell these products to domestic market and directly to overseas importers and wholesalers as well as direct buying offices (Embassy of Ethiopia in United Kingdom, 2010). As it is obvious Ethiopia has the largest livestock population in Africa and the 10th largest in the world, the country had to be one of the major shoe's producers and exporters in Africa as well as in the world having comparative advantage of raw material and cheap human resource advantages. Despite this fact, many studies indicated that the shoe companies found in the country face strong competition from shoes and other leather products imported from abroad.

The major problems occurring in the leather footwear industries are capital, managerial practices, productivity, consumer, competition, brand awareness and technology. Ethiopia's share in the global footwear market is lower than its position in leather trade. In the year 2010, Ethiopia accounted for 0.13% of the total world production while China and Italy, the two major producers, accounted for 41.7% and 5.4 %. Ethiopian leather products are mainly destined to Europe and Asia. The share of Europe in 2007/08 and 2008/09 was around 70% while Asian shares for the same years were around 25%. America and Africa receive a very small percentage

of the export. Italy (35%), Germany (19%) and China (15%) were the three most important export destinations in 2008/09 (UNIDO, 2012). The problem is well pronounced in the case of our country Ethiopia, especially on the view of its abundant resource in hide and skin but still in trade balance deficit in leather products. Such complete dependence on imported products brings the question on attitude of consumers to wards Ethiopian leather products. For instance, Ethiopia has negative trade balance for shoes. For the period 2005- 2010, Ethiopia imported on average 25.6 million USD while its export for the same period was only 4.9 million USD. The negative trade balance reflects the high domestic demand for shoes; which the national shoe industry is apparently unable to satisfy, leading to foreign currency outflows of 20.7 million USD per year on average (UNIDO 2012).

Basically, Ethiopia has been exporting crust hide & skin for long period of time, but now a day the government gives special attention on the value adding process to produce semi finished and finished leather products which creates opportunity to produce finished leather products of final users Accordingly finished leather products are available in domestic market ever than before on wide range of choice and style, but the perception of consumers on the quality of leather products nowadays remain unknown (Nebiyu Tesfahuna,2015).Domestic shoes markets are filled with various shoe imports, and domestic shoes consumers are provided with multiples choice of shoes around the world. As a result, domestic shoes are facing stiff competition from abroad in their home market (Endalew Adamu,2011).

Studies on Ethiopian leather footwear industries made by UNIDO, Japan Embassy and other researchers shows that their performance are unsatisfactory and also face some difficulties. most of these factories are not achieving their proper performance and are characterized by low productivity (material and labor), poor working conditions, and improper utilization of resources, weak relationship with customers and suppliers and poor management(Tomas c., 2011).

Although, many studies are focused on leather sectors in general and some studies on Ethiopian footwear firms (both local and foreign companies), there are no specific studies on factors influencing the performance of footwear industries. In addition to these, it is the current problems that the performance of Ethiopia local shoes in the market as whole is declining from time to time. This study, therefore, designed to analyze the factors influencing the foot wear industry. Leather industry, as it is one of the potential economic sectors, it should be given

proper attention for sustainable development of the country. All the above studies are not enough since the market is so wide it needs more research. The studies are not updated so it needs to be updated. Most of the studies in the area are qualitative but this study is quantitative.

1.3 Research question

This study is conducted to answer to the following research questions:

1. What is the current status of footwear industry in the case of SMEs in Addis Ababa, Ethiopia?
2. Does capital influence the performance of footwear industry in case of SMEs in Addis Ababa, Ethiopia?
3. Does technology influence the performance of footwear industry in case of SMEs in Addis Ababa, Ethiopia?
4. Does managerial practice influence the performance of footwear industry in case of SMEs in Addis Ababa, Ethiopia?
5. Does competition influence the performance of footwear industry in case of SMEs in Addis Ababa, Ethiopia?
6. Does brand awareness influence the performance of footwear industry in case of SMEs in Addis Ababa, Ethiopia?
7. To what extent the determinants of footwear industry (capital, technology, managerial practices, competition, and brand awareness) are correlated with the performance of footwear firms?

1.4. Objective of the study

1.4.1. General Objective

The main objective of the study is to assess the factors influencing the performance of footwear industry in the case of SMEs in Addis Ababa, Ethiopia.

1.4.2. Specific Objectives

1. To assess current status of footwear industry in the case of SMEs in Addis Ababa, Ethiopia
2. To assess how capital influence the performance of footwear industry in case of SMEs in Addis Ababa, Ethiopia.

3. To assess how technology influence the performance of footwear industry in case of SMEs in Addis Ababa, Ethiopia.
4. To assess how managerial practice influence the performance of footwear industry in case of SMEs in Addis Ababa, Ethiopia.
5. To assess how competition influence the performance of footwear industry in case of SMEs in Addis Ababa, Ethiopia.
6. To assess how brand awareness influence the performance of footwear industry in case of SMEs in Addis Ababa, Ethiopia.
7. To what extent the determinants of footwear industry (capital, technology, managerial practices, competition, and brand awareness) are correlated with the performance of footwear firms.

1.5. Significance of the study

Due to the fact that leather industry is one of the fast-growing sectors in Ethiopia, and taking special attention by the government this study provides useful insight on revealing the factors influencing the performance of footwear industry. The finding of the study helps to identify the factors influencing the performance of footwear industry. The results of the study will have the following importance for researchers, policy makers, investors and practitioners. It serves as a launching pad for researchers who are interested to conduct further studies in the area.

1.6. Scope of the Study

The Ethiopian footwear (shoe) industry is composed of two sub-sectors: the larger mechanized shoe industries sub sector and the smaller production units – micro, small and medium enterprises including the informal ones. As per LIDI (2002E.C), among the different types of business classification based on different characteristics, this research was focused on small enterprises working at Addis Ketema sub city. The main reasons for selecting Small enterprises at Addis ketema sub city was to observe the increase of economic activity, especially at the largest open market in Africa, Merkato and viable small enterprises have start up in recent past in this sub city but most of them have not survived for more than a year. The scope of the study was limited to the assessment of the factor influencing the performance of foot wear industry. As far as the scale of businesses is concerned, this study is delimited to small and medium size footwear enterprise.

1.7. Limitation of the study

Like all research, this study had limitations. The sources of difficulties encountered in this study were described as follows: most of the documents that are concerned with small and medium enterprises are written in Amharic. To translate in to the required instruction language (English) takes longer period. Another problem encountered in the study has to do with the respondent's reluctance to cooperate due to Covid-19 pandemic fear of becoming sick and suspicion that disclosing information may lead to negative effect on their business. It is very important to note that these limitations did not have any significant interference with the outcome of the study.

1.8. Definition of key operational terms

Footwear - refers to garments worn on the feet, which originally serves to purpose of protection against adversities of the environment, usually regarding ground textures and temperature.

Footwear Industry – is based on a number of different sects that help create shoe designs and sell them to customers. Facets of the industry include shoe design, marketing, and manufacturing, as well as retail sales.

An Enterprise – can be defined as an undertaking engaged in production and/or distribution of goods and services for commercial benefits, beyond household consumption at the household level.

Small and Medium Enterprises (SMEs) - are non-subsiary, independent firms which employ less than a given number of employees this number varies across countries. Therefore, Ministry of trade and industry (MoTI) classifies SMEs in Ethiopia based on capital investment and on the bases of establishment. Small enterprises: are businesses with a total investment between Birr 20,000 up to Birr 500,000 and do not include these enterprises with advanced technology and high technical consultancy. Medium enterprises: are business enterprises with a total investment between Birr 500,000 up to Birr 1 million and including those enterprises that have high technical consultancy and excluding another high-tech establishment.

Factor - A factor is a contributory aspect such as access to finance, access to market, technology, working premises, ease of regulation and access to network that affect performance of footwear industries

Respondents – respondents are those individuals who are owners, manager or employees of industries.

1.9 Organization of the study

The study organized in five parts. The first chapter discusses introduction about the study including background of the study, statement of the problem, objectives of the study, significance of the study, scope of the study, limitations of the study, definition of key terms and organization of the study. The second chapter reviews theoretical and empirical studies conducted in relation to footwear industry. The third chapter discusses the research methodology including research approach, design, sampling and sample size determination, data collection instruments, research respondents and methods of data analyses. The fourth chapter presents, analysis and interpretation. The fifth chapter deals with summary, conclusion and recommendation based on the research findings.

CHAPTER TWO

LITERATURE REVIEW

2.1. The Background of the Footwear Industry

It's hard to imagine what life was like when shoes weren't discovered yet. Everything started because of a real and practical need to protect the feet from outside effects. This seemingly simple human need turned into a quickly growing industry in which design was just as important as functionality. Although the main qualities of footwear have remained unchanged, looking back at the long and interesting history of shoes, you can see that the colors, materials and designs did change. Before, shoes used to be made by craftsmen. But today, they are part of a factory industry earning huge amounts of money each year(Tomas c.2011).

The production of leather shoes in Ethiopia dates from the late 1930s when Armenian merchants founded two shoe factories in Addis Ababa-TikureAbbaya and Anbessa. These were nationalized by the military government in 1974 and remained the largest and second largest shoemakers in the country. These factories nurtured a number of shoemakers, who opened their own factories in Addis Ababa and trained their workers. Today, the neighborhood of Merkato, a huge marketplace in the city, swarms with shoemakers, wholesale shops dealing in leather, soles, and shoe accessories, and shoe retail stores(Tomas c.2011).

2.2. Footwear industry in Ethiopia

Ethiopian footwear sub-sector produces men's casual shoes and children's shoe-uppers made from pure leather. Leather factories sell these products to domestic market and directly to overseas importers and wholesalers as well as direct buying offices (EndaleAdamu 2011). As a matter of fact,Ethiopia has the largest livestock population in Africa and the 10th largest in the world, the country had to be one of the major shoe's producers and exporters in Africa as well as in the world having comparative advantage of raw material and cheap human resource advantages. Despite this fact, many studies indicated that the shoe companies found in the country face strong competition from shoes and other leather products imported from abroad.

According to World Bank group (2006), the domestic market for footwear at present suffers from fierce price competition from synthetic footwear imported from China at much cheaper prices. Though low in durability, these low-quality Chinese shoes are considered somewhat stylish and fashionable in design and heel heights and are available for men, women and children in all local shops. Tegegne (2007) mentioned that the domestic shoes market has been flooded with cheap imports from Asia, particularly from 3 China and this has inflicted heavy impacts on the sector, and threatened its competitiveness in the domestic market. Altenburg (2010) indicated, leather and leather products industry is stuck in a low-quality trap in which problems at all levels of the value chain are mutually reinforcing. That is inappropriate techniques at the stages of livestock management, tanning, and transport undermine competitiveness in high-value leather product markets, and low quality of final products translates into low prices and under-investment at all stages of the value chain.

Sutton and Kellow (2010) also pointed out that the leather footwear of Ethiopia faces strong competition from shoes and other leather products imported from china and elsewhere. All above

studies showed that domestic shoes markets are filled with various shoe imports, and domestic shoes consumers are provided with multiples choice of shoes around the world. As a result, domestic shoes are facing stiff competition from abroad in their home market. However, the consumer's preference of shoes is still remained as open that need to be assessed. For this reason, this study conducted to assess the consumers preference either imported or domestic leather shoes. Since understanding of what consumers' choices and why they prefer is important for shoes manufacturers, wholesalers and retailers, it will lead to more accurate merchandise mix and marketing programs. But, failure to do so may result in disaster for a company. In this regard, Kotler et al. (2005) noted that firms which delay taking steps and stay at home to play it safe may not only lose their chances to enter other markets, but also risk of losing their sales to companies from neighboring countries who have invaded their home markets. Thus, it is worthy to study customer's choices among shoes of different countries in comparison to domestic ones, identify the factors that affected consumers' shoes preference and forward possible recommendations to leather shoes companies.

According to Addis Ababa Chamber of Commerce and Sectorial Association, anyone doubting the effect of small local businesses needs only to look at Addis Ababa's current scene. In addition to major infrastructure improvement and economic growth, the city owns its leadership in businesses, trade and investment destination in Ethiopia and beyond. More and more shops, all types of stores and pushcarts are taking over the road sides and streets of Addis Ababa. All in all, the small businesses sector is more in chaos, now than ever before.

Currently, small businesses are identified as one of the main economic activities contributing massively in terms of capital, profit and employment generation in Ethiopia. In bold definition, small businesses are business that are independently owned and operated. The term "small business" varies from country to country, as well as by sectors, and types of the business. But in this case, we are using the Ethiopian perspective the case of local business activities that are common in Addis Ababa.

2.3. The contribution of the footwear industry

In 2016, Ethiopia exported a little more than 2 million pairs of shoes to the U.S., which represented about a 24 percent increase over the previous year. This year, Saliman says exports to the U.S. are up 14 to 16 percent. And while the amount is still in the early stages relative to

more established sourcing countries, Holm-Olsen sees no reason why Ethiopia can't grow to a similar size. "In the region, Ethiopia is number-one, by far, in terms of footwear production, so they are starting from a good base," he says. "And it's a good base from which to develop given the level of investments that are going into the country." Specifically, Holm-Olsen says the Ethiopian government has designated footwear and apparel production as strategic priority sectors, and is going to great lengths to encourage investment from outside and within the country.

The leather and leather products sector contribute on average about 6-8 % of the gross value product of all manufacturing industries and contributes about 6 % to national GDP. According to LIDI the sector created 22,673 employments and around 6% of share from manufacturing GDP (LIDI, 2015). The livestock sub-sector contributes about 12% of national GDP, over 45% of the agricultural GDP and 16% of total exports (ECCSA, 2019).

2.4. Factors influencing footwear industry

Nowadays, there is a need for business enterprises to measure, analyze and improve performance as they encounter increasing competition from an ever-changing business environment. Performance is the valued productive output of a system in the form of goods and services and performance measures are the lifeblood of organizations, since without them no decision can be made, as it is the first step to control and improvement. Though the Government of Ethiopia is promoting the leather footwear industry as a priority area and the sector has a huge potential for developing an economy. Capital, technology, consumer, brand awareness, productivity, competition, managerial practices are the factors that affect the performance of footwear industries (Tomas c.2011).

2.4.1. Capital

There are two sources of finance available to SMEs which includes; internal and external sources (Chizea, 2002). Internal sources as the dominant source of finance for most small-scale businesses. And for most businesses, internal sources of finance constitute retained earnings for the period including provisions made for depreciation which is essentially a book transfer. The external sources of financing constitute bank finance and other forms of institutional credit. External source of finance must also include public equity.

In most of developing countries, the majority of small business enterprises lack access to formal financial services. Researches in this area evidenced that the informal firms start their business with their own savings supplemented by borrowing from friends and relatives. Since most of the operators are poor, they start their business with very little capital. A few meet their capital requirements through informal credit mechanisms which exist within their community, but rarely from the formal sector institutions.

Credit from formal sources is not only governed by government regulations but often they also form part of public sector monopoly, and hence administered by a bureaucracy that is generally unfriendly to the poor, illiterates and semi-literates in the informal sector. Similar attitudes also prevail in the private sector; the private banks for example rarely find it profitable to deal with these units, though a few exceptions are emerging (Sethuraman, 1997).

2.4.2. Technology

For small businesses, the introduction and use of new technology can help streamline processes and increase worker productivity if managed properly. The ability to keep up and use technology to the business advantage requires the ability to identify possible uses for each technological advance. Some technological advances may prove cost prohibitive for some small business. This evaluation should shine some light on the possible benefits it will provide to both employees and the company (Nicole Long. demand media, 2016).

2.4.3. Consumer

Consumer market includes all the individuals and households who buy or acquire goods and services for personal consumption. According to Kotler and Armstrong (2010), currently, the world consumer market consists of more than 6.6 billion people who annually consume an estimated \$65 trillion worth of goods and services. Among these consumer goods shoes are one of the basics. Currently, different types of shoes are produced by different companies in different countries to different consumers around the world. These Consumers around the world vary tremendously in age, income, education level, tastes and preference even though they buy an incredible variety of goods and services. But these diverse customers relate with each other and with other elements of the world around them affect their choice among various products, services and companies. Today, as a result of changing world business environment, global competition is intensifying, foreign firms are expanding into new international markets and home

markets are no longer as rich in opportunity. Local companies that never thought about foreign competitors suddenly find these competitions in their own back yards (Kotler et al., 2005). Existence of such stiff competition among companies benefited the local consumers through providing ample of product choice in general. Ethiopia, as one part of the world communities, changes in the world business activity may affect negatively or positively its business activities, these include business activities performed by leather and leather products industry. Ethiopia's leather product sub-sector produces a range of products from semi-processed leather in various forms to processed leathers, such as shoe uppers, leather garments, stitched upholstery, school bags, handbags, industrial gloves and finished leather. The leather factories in the country facilitate the production and export of footwear under the 2 private labels of department stores, boutiques, shoe retail chains and mail order houses and facilitate the production of internationally well-known brands under contract. The Ethiopian footwear industry produces shoes that are globally competitive in terms of both quality and price (Samuel, 2008). But studies conducted on leather and leather products sub-sector indicated that footwear sub-sector in Ethiopia is dominated by cheap imports. As a result, shoe producers face strong competition from shoes and other leather products imported from China and elsewhere (Sutton and Kellow, 2010; Tegegne, 2007). Thus, study on consumers shoes preference has immense value to shoe companies through providing actual information about shoe consumers, these in turn help them better understand of their target consumers and designing market offers according to the need and want of their target consumers.

2.4.4. Managerial practice

The education of entrepreneurs can impact the path to business success because it is the process of building absorptive capacity of managers such as confidence, psychology, knowledge and skills. Takahashi (2009) indicates that one of the success factors in small business is the education level of the owner, which can assist the business to survive and manage a complex environment and keep business profitability.

Many entrepreneurs of small enterprises lack managerial experiences when they start their business career, there is often a tendency of basing decisions and actions on hope and dreams rather than solid data. There are for example numerous cases of small business enterprises going into bankruptcy because of simple fact that they did not know how to price their goods or

services. In such cases, even the introduction of the most basic management principles could improve the performance of the enterprises. Small business enterprise managers often operate without adequate quantitative data or other information, rather following the strategy of other successful entrepreneurs. In addition, due to low wages, limited job security and a low status from working in a small –scale enterprise, the manager cannot easily recruit and keep qualified employees. (Ake Sahlin, 2016).

2.4.5. Brand awareness

For a consumer to buy a brand they must first be made aware of it. Brand attitude cannot be formed, and intention to buy cannot occur unless brand awareness has occurred (Rossiter & Percy 1987; Rossiter et al. 1991 in Macdonald and Sharp 2003). According to Keller (1993), brand awareness plays an important role in consumer decision making for three major reasons.

First, it is important that consumers think of the brand when they think about the product category. Brand awareness is essential in buying decision-making as it is important that consumers recall the brand in the context of a given specific product category, awareness increasing the probability that the brand will be a member of the consideration set. Raising brand awareness increases the likelihood that the brand will be a member of the consideration set (Baker et al. 1986; Nedungadi 1990 in Keller 1993), the handful of brands that receive serious consideration for purchase.

Second, brand awareness can affect decisions about brands in the consideration set, even if there are essentially no other brand associations. For example, consumers have been shown to adopt a decision rule to buy only familiar, well-established brands (Jacoby, Syzabillo, and Busato-Schach 1977; Roselius 1971 in Keller 1998). In low involvement decision settings, a minimum level of brand awareness may be sufficient for product choice, even in the absence of a well-formed attitude (Bettman and Park 1980; Hoyer and Brown 1990; Park and Lessig 1981 in Keller 1993). The elaboration likelihood model (Petty and Cacioppo 1986 in Keller 1993) suggests that consumers may base choices on brand awareness considerations when they have low involvement, which could result from either a lack of consumer motivation (i.e., consumers do not care about the product or service) or a lack of consumer ability (i.e., consumers do not know anything else about the brands). So, awareness also affects decisions about brand in the consideration set, even in the absence of any brand associations in consumers' minds. In low

involvement decision settings, a minimum level of brand awareness may be sufficient for the choice to be final.

Finally, brand awareness affects consumer decision making by influencing the formation and strength of brand associations in the brand image. Therefore, a brand that has some level of brand awareness is far more likely to be considered, and therefore chosen, than brands which the consumer is unaware of. Brand awareness is a process from where the brand is just known to a level when the consumers have put the brand on a higher rank; the brand has become the —top of mind (Aaker, 1991). Organizations can generate brand awareness by, firstly having a broad sales base, and secondly becoming skilled at operating outside the normal media channels (Aaker, 1996).

2.4.6 Competition

Competitiveness is one of the most powerful concepts in modern economic thinking. It can be defined at national level, industry and firm level. Even if there are different definitions of competitiveness it is better to have a clear understanding of the concept of competitiveness. At the macro-economy level, “competitiveness is identified with a steady upward trend measured by GDP growth, productivity of resources and factors of production growing in macro –terms, and economic expansion onto the international market (enlargement of existing markets as well as entry into new market), that is, with the capacity of offering new, better and cheaper goods and services in a competitive environment” (Porter, 1990).

At the level of individual firms, competitiveness is the ability of a firm to survive and prosper, given the competition of other firms for the same profits. The competitiveness of a firm is the result of a comparative advantage relative to other firms. Porter defines competitive advantage as the ability of a company to make products that provide more value to customers than rival products, leading to higher sales and higher profit for the company (Porter 1985, p-2, Porter 1996, p-62).

Firm level competitiveness can also be defined as “the ability of a firm to design, produce and/or market products superior to those offered by competitors, considering the price and non-price qualities” (D’Cruz, 1992). “Competitiveness” is primarily a firm-level concept and refers to the ability of a firm to produce output of superior quality and lower costs than its domestic and

international competitors. It is reached by improving product quality and through processes of product development (Beyene, 2009).

2.4.7 Productivity

Productivity is a measure of the efficiency and effectiveness to which organizational resources (inputs) are utilized or the creation of products or services (outputs). In footwear industry, “output” can be taken as the number of products manufactured, whilst “input” is the people, machinery and factory resources required to create those products within a given time frame. In fact, in an ideal situation, “input” should be controlled and minimized whilst “output” is maximized. Productivity can be expressed in many ways but mostly productivity is measured as labor productivity, machine productivity or value productivity. Productivity gains are vital to the economy because they allow us to accomplish more with less. The shoe industries need to produce momentous quantities in shorter lead times as footwear product is highly correlated with high level of productivity (Parthiban and Razu 2008).

2.5. Empirical review of studies conducted on footwear industry

Many different studies have been conducted on Ethiopian leather and leather products related to the performance of footwear industries but very few studies have been conducted on Ethiopian Leather footwear industries especially on SMEs. However, it would be beneficial to review some of the relevant literature dealing with leather and leather products industries by different countries.

NebyuTefahun (2015) has conducted study to assess consumer’s perception towards the quality of Ethiopian leather shoes to accomplish this he assessed previously made researches and also distributed 180 questioners for leather shoe consumers. The researcher also selected 6 shoe factories through quota sampling to collect data from consumers. From the six factories the researcher selected 30 consumers from each shoe manufacturing companies on convenience basis. He also used descriptive research design and prepared questioners. The result of the study indicate that customers believed the quality of domestic shoes regarding performance, durability and reliability dimensions are very good but domestic leather shoe products lacks aesthetic value including design, style, and choice. Due to this reason domestic leather products are not competent with imported leather products.

Moreover Tomas c. (2011) has conducted a study to assess and evaluate performance management practice of Ethiopian Leather Footwear Factories, identify critical problems and propose a firm level total performance improvement method and suggest roles of stakeholders or improvement directions towards the external problem. The research findings concluded that the leather shoe factories have both internal and external problems resulting low performance and competitiveness. To alleviate the internal or firm level problems, a total performance improvement method called Total Performance Scorecard (TPS) is proposed. In addition, improvement directions are forwarded towards the external or sector level problems. Regarding the proposed method, a performance measurement framework/scorecard and its implementation guideline is developed for Anbessa S.C. TPS is a combination and also an extension of the concept BSC, TQM and Competences Management which is being defined as a systematic process of continuous, gradual and routine improvement, development and learning.

Endalew Adamu (2011) has conducted a study to assess the factors affecting consumers' shoes preference in the case of Addis Ketema sub city on Domestic versus imported leather shoes. The objective of the study was to indicate how consumers evaluated both domestic and imported leather shoes interns of product quality, style and price, to examine to what extent these factors influenced the consumers' shoe choice and to look whether there was difference or not between the age groups regarding their preference in Addis Ketema sub-city shoe market. He gathered data from 180 leather shoe consumers in Addis Ketema shoe market through open and close ended questionnaires. The findings revealed that the imported leather shoe was superior in comfort ability, fissionability and range of variety. But Domestic leather shoes had competitive advantage interns of durability and price.

Another study conducted by Antigene kebede (2019) the effect of determinants on export performance of domestic leather footwear export manufacturing firms in Ethiopia. Determinants of export performance such as product quality, capital, export knowledge, technological capability, global competition and export promotional support were analyzed based on the selected conceptual framework. A quantitative research approach was applied in order to achieve research objectives. The researcher used a purposive sampling technique to select four departments and 9 heads of respondents in each 14 domestic footwear manufacturing firms. A structured questioner was distributed to 126 respondents those who represented the firm and 108

were collected. The collected data was analyzed through statistical techniques such as descriptive statistics, correlations and multiple linear regressions using Statistical Package for Social Science (SPSS) version 20. The research finding clearly indicates that product quality, capital, export knowledge, technological capability and export promotional support have a positive significant effect with coefficient of 0.293, 0.237, 0.197, 0.114 and 0.092 on export performance of domestic leather footwear export manufacturing firms, respectively.

The study conducted by Tetsushi Sonobe, John and Keiji Otsuka (2009) "An Exploration into the Successful Development of the Leather-Shoe Industry in Ethiopia", showed that the leather-shoe industry in Ethiopia is thriving, and in the early 2000s, it managed to recover the domestic market which had once been swept by imported Chinese shoes. Using primary enterprise-level data, this paper found that the industry has been growing not only because of a number of new entrants but also because of the growth of enterprises that have been improving product quality and developing new marketing systems. Such multifaceted improvements have been introduced by highly educated entrepreneurs, who have successfully expanded the size of their enterprises. They draw a conclusion that the industry's growth has been driven not only by the entry of new enterprises but also by the growth of leading enterprises and followers, as in East Asia. Moreover, the study presented supportive evidence for the hypothesis that the highly educated entrepreneurs introduce new ideas on product design, production methods, labor management, marketing, and procurement because they face fierce competition from a swarm of micro enterprises, who can enter the market with little investments.

All the above studies conducted by different researchers have indicated the factors influencing footwear firms. The factors that influence the performance of footwear industries are capital, technology, and brand awareness, competition, consumer, and productivity, managerial practice. However, all the above studies are not enough since the market is so wide, studies are not updated and most of the studies conducted were qualitative. Indeed, this study initiated to fulfill gaps factors influencing the performance of local leather footwear manufacturing firms in Ethiopian.

2.6. Conceptual framework of the study

There are many factors that affect the performance of footwear firms as tried to describe briefly in the literature review part. Based on the literature the independent variables for this study are access to capital, technology, brand awareness, competition, managerial practice and the dependent variable is performance of footwear firms.

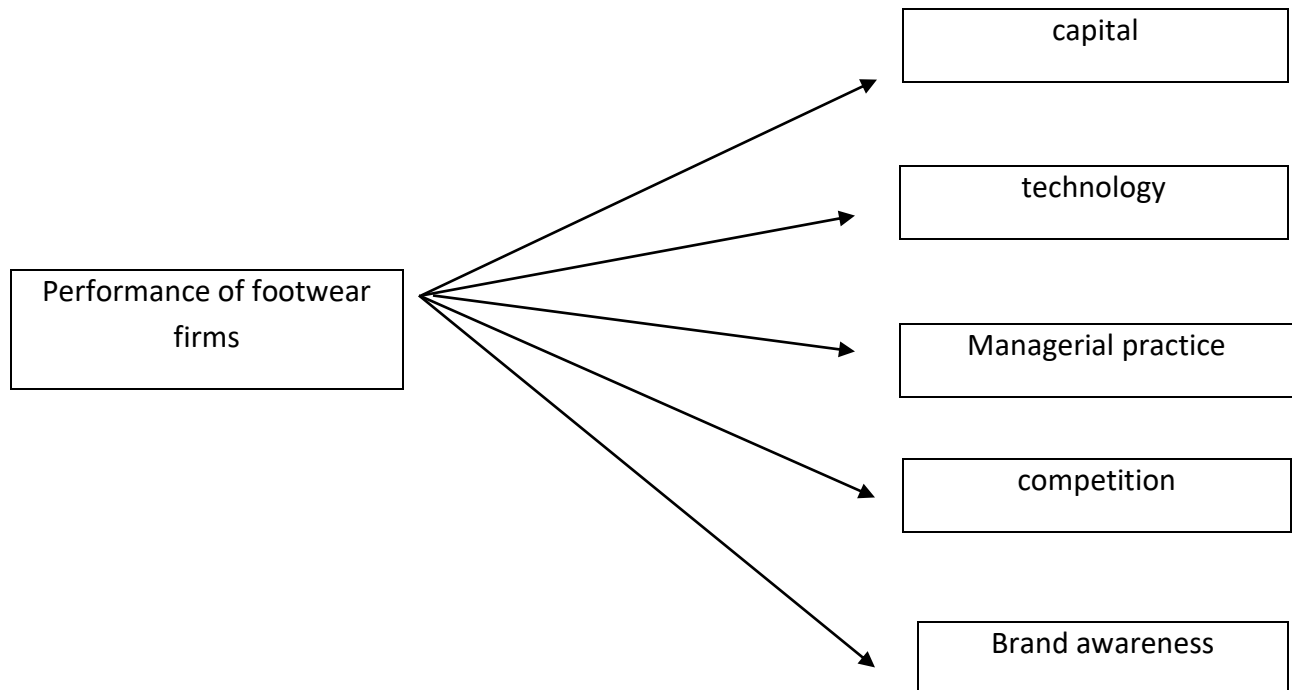


Figure 1: Conceptual framework of the study

source: own Synthesis from literature

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter discusses the research materials and methods used in the study including location and description of the study area, research approach and design, data types and data sources, methods of sampling, methods of data collection, method of questionnaire design and analysis data analysis and ethical considerations.

3.1 Description of the study area

Addis ketema sub city is one of the 10 sub-cities located in Addis Ababa, Ethiopia. The district is located in the northern area of the Addis Ababa, not too far from the center of the city. It shares borders with the districts of Gullele in the north, Arada in the east, Lideta in the south and kolfekeranio in the west. Also, Mercato is located in Addis ketema which is Africa's largest open air market place. Its total population is 271,664 which is (9.3%) of Addis Ababa's total population. Among the 10 subcities Addis Ketema was selected because small enterprises are densely populated in this sub city, the observed increase of economic activity especially at the largest open market in Africa, Merkato, viable small enterprises have start up in recent past in the sub city but most of them have not survived for more than a year. The district has 10 Weredas. The estimated land area of the district is 7.41 km² (Addis ketema city administration office).

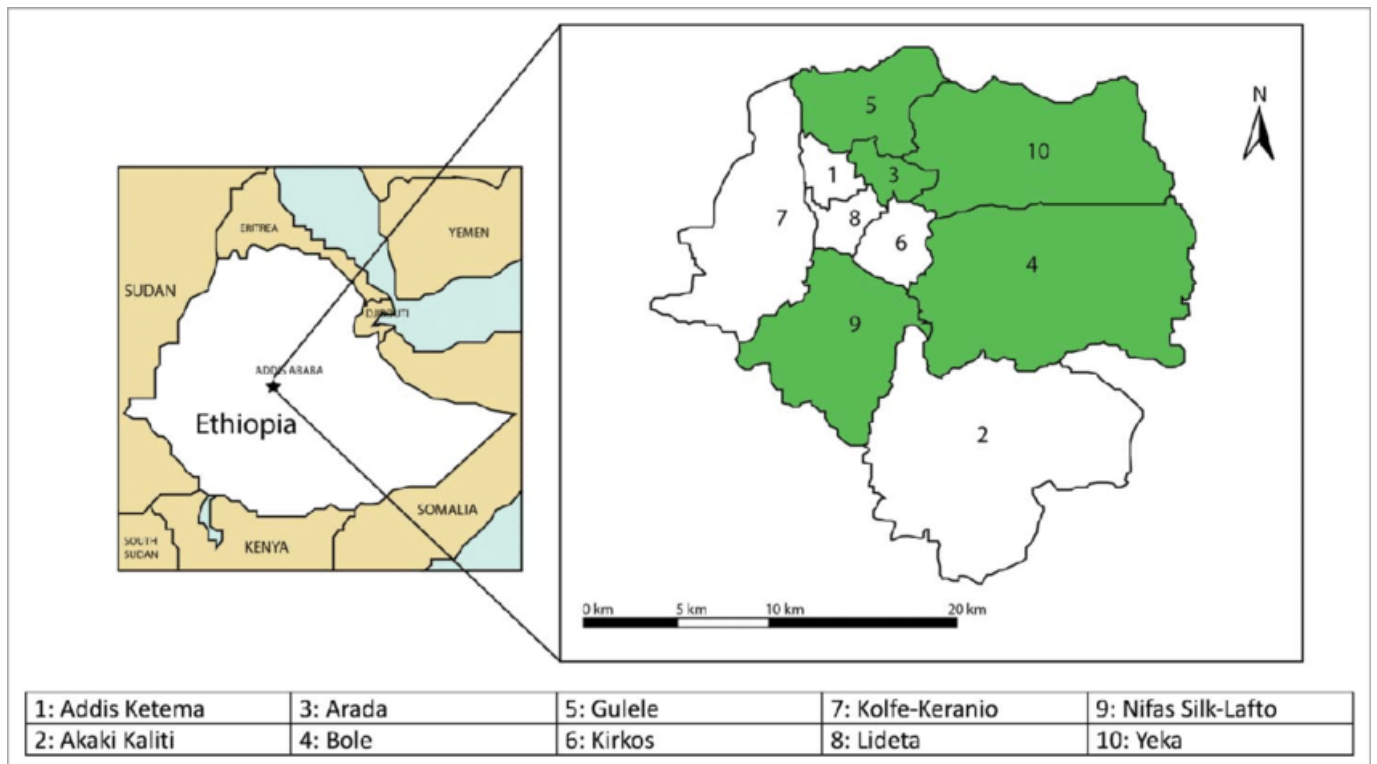


Figure2. Map of the study area

Source: Addis Ketema sub city (red) within Addis Ababa (Addis Ketema administration office)

3.2 Research approach

Quantitative research approach will be adopted to carry out this study. Quantitative research is the systematic and scientific investigation of quantitative properties and phenomena and their relationships (Kothari, 2005). It involves studies that make use of statistical analyses and theories to obtain their findings. According to Crewel (2008), quantitative research is a means for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures.

3.3 Research design

This study used descriptive research design. It is used to describe the characteristics of factors and for this the questionnaire as the main part of a survey design uses to collect data from the population. Descriptive types of research enable flexible research approach by using multiple sources of data involving document review and questionnaires.

3.4 Research respondents

It is necessary to analyze some demographic characteristics of the respondents such as; Gender of the respondent, Educational level, Age, Work Experience and type business formation of the companies. The high-level management personnel are deliberately selected and requested to participate in the survey.

3.5 Sampling and sample size determination

The research targets to study the different factors that influence foot wear industry in small and medium business enterprises (SME) established in Addis Ketema sub city. According to the official statistics from the sub city, there are 1063 small business enterprises at Addis Ketema sub city.

3.6 Population and sampling technique

According to Creswell (2003), the sample shouldn't be too large to be economical and shouldn't be too small to keep the validity of findings. This study will use a systematic way of data collection on the footwear performance factors by dividing the firms into three groups, namely sole proprietor, private limited and enterprise. The total producers of the in the sample area has reached above 1,063 as of June 30, 2019, the survey will collect sample from each stratum based on business structure (formation).

A Simplified Formula for Proportions

Yamane (1967) provides a simplified formula to calculate sample sizes. This formula was used to calculate the sample sizes in Tables 2 and 3 and is shown below. A 95% confidence level and $P = 5$ are assumed.

$n = N / [1 + N (e)^2]$ Where n is the sample size, N is the population size, and e is the level of precision. When this formula is applied to the above sample, we get.

$n = N / [1 + N (e)^2]$ Rao (1985) presented some another calculation for sample size under different circumstances in simple manner.

$$n = 1,063 / [1 + 1,063(0.05^2)] = 290$$

As can be seen from figure 2, based on stratified random sampling method, the number of samples drawn from sole proprietor, enterprise and PLC categories were 63, 191 and 36, respectively.

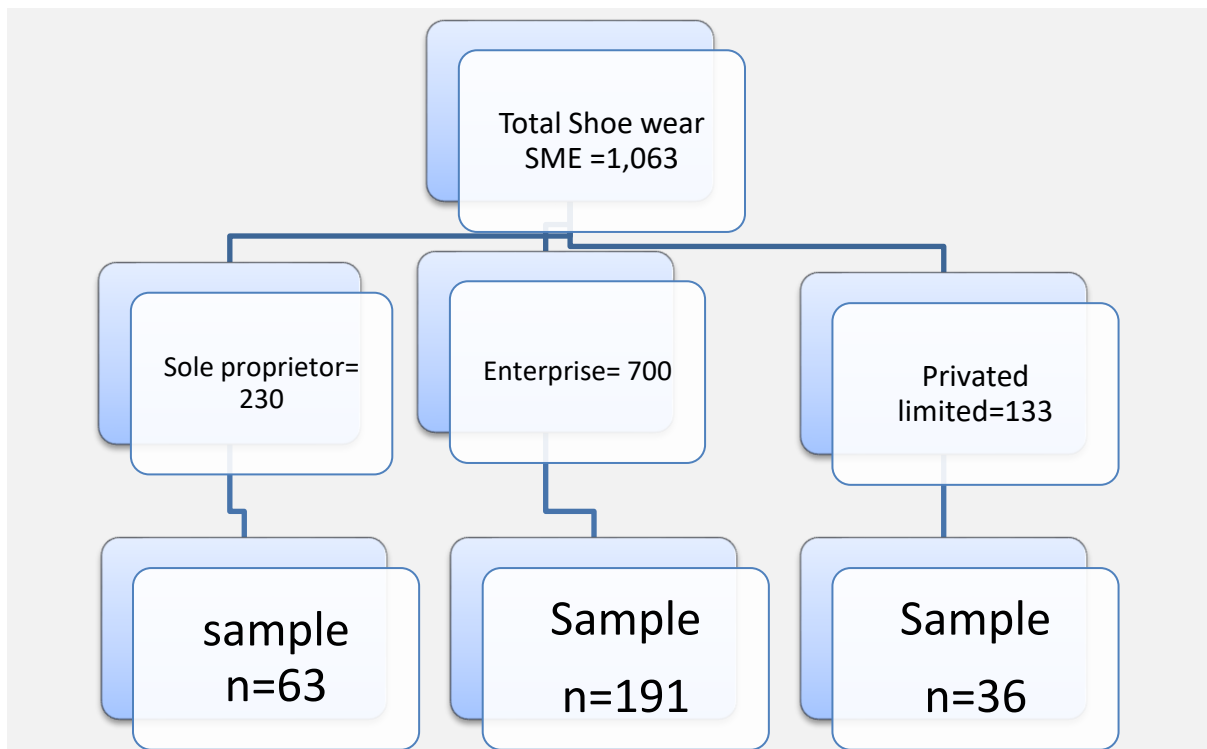


Figure 3. Stratified sample size of SME

3.7. Data collection instruments

Both primary and secondary sources of data were used for the study. The researcher used questionnaire to collect primary data from survey respondents. The questionnaire was designed and the layout of the questionnaire was kept very simple to encourage meaningful participation by the respondents. The questions were kept as concise as possible with care taken to the actual wording and phrasing of the questions. The reason for the appearance and layout of the questionnaire are of great importance in any survey where the questionnaire is to be completed

by the respondent (John et al., 2007). Moreover, secondary data were gathered from books, journal articles, and statistical bulletins.

3.8 Reliability and Validity Tests

3.8.1. Reliability test

A pilot test was used on 20 respondents of 4 SME footwear firms to measure the reliability and consistency of the responses by respondents. Lee Cronbach (1951) defines reliability as an attribute of an instrument used to measure consistency. Consistency indicates that an instrument has constructive value it used to measure. Based on the criterion of Cronbach's alpha when $\alpha > 0.9$ Excellent, $\alpha > 0.8$ Good, $\alpha > 0.7$ Acceptable, $\alpha > 0.6$ Questionable, $\alpha > 0.5$ Poor, and $\alpha < 0.5$ is Unacceptable (George and Mallery, 2003) and hence the result of 0.7 and above implies an acceptable level of internal reliability.

3.8.2. Validity Test

Validity is the extent to which differences found with a measuring instrument reflect true difference among those being tested (Kothari, 2004). In other words, validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. In order to ensure the quality of the research design content and construction validity of the research were checked. The questionnaire is prepared by referring different related studies and references. To increase validity of the instrument, the questionnaire is pre tested on some respondents of 4 SME footwear firms that have adequate knowledge on the subject to checking the appropriateness of the questions. Using the expert views and the feedback from 9the pilot survey, the final questionnaire was prepared and distributed to the respondent firms. Regular cross checking and follow-ups were also made at the time of data collection to ensure accuracy, relevance, completeness, consistency and uniformity of the data.

3.9 Ethical considerations

All the research participants included in this study were appropriately informed about the purpose of the research and their willingness and consent was secured before the beginning of distributing questionnaire. Regarding the right to privacy of the respondents, the study maintained the confidentiality of the identity of each participant. Their privacy, identity and

confidentiality were maintained by assigning them code numbers instead of names. The completed questionnaires were filed safely and were accessible only to the researcher and thesis advisor. In all cases, names are kept confidential thus collective names like ‘respondents’ were used.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND FINDINGS

This part of the study is reserved for presentation of findings and discussion of results. Based on those results interpretations and appropriate inferences were made with the help of reference to literature that were included in the study.

4.1 Data Result Presentation and Interpretation

4.1.1 Profile of survey firms

General company information of shoe manufacturing companies located in Addis ketemais presented here. It constitutes items such as; Educational level, Work Experience, Position held Age, Gender of the respondents and type business formation of the companies.

The student researcher purposely distributed the questionnaire to those who are considered to be well versed and knowledgeable on factors or elements that challenge and influence shoe performance of companies. Therefore; the high-level management personnel are deliberately selected and requested to participate in the survey. The results showed; all of them were male, adult, with low level of education and midlevel of business experience. The general background of respondents and their respective companies are summarized and presented in the following tables.

Respondent's Gender

Table 4.1. Respondent's Gender

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	279	96.25%	96.2%	96.2%
Valid female	11	3.8%	3.8%	100.0%
Total	290	100.0%	100.0%	

Source: Owen analysis drawn from respondent's information

The summarized data in the above table reveals most (96.2 percent) of the respondents were male. While the remaining are female.

Respondent's Age

Table 4.2 Respondent's Age

Age	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25-30	149	51.4%	51.4%	51.4%
Valid 35-44	141	48.6%	48.6%	100.0%
Total	290	100.0%	100.0%	

Source: Owen analysis drawn from respondent's information

The summarized data in above table reveals 51.4 percent of the respondents were between the age of 25-30 and the other 48.6 percent were between the age of 35-44

Respondent's Education level

Table 4.3 Respondent's Education level

	Frequency	Percent	Valid Percent	Cumulative Percent
Able to write & read	202	69.7%	69.7%	69.7%
Grade 10 complete	57	19.7%	19.7%	89.3%
TVT	31	10.7%	10.7%	100.0%
Total	290	100.0%	100.0%	

Source: Owen analysis drawn from respondent's information

69.7 percent of respondent's education was only able to write and read and the remaining were between 10 complete and TVT. That indicates the participants are at lower level of education.

Respondent's Year of business experience

Table 4.4 Respondent's year of business Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
1-3	16	5.5%	5.5%	5.5%
3-5	64	22.1%	22.1%	27.6%
above 5 years	210	72.4%	72.4%	100.0%
Total	290	100.0%	100.0%	

Source: Owen analysis drawn from respondent's information

Most of the respondents have experience above the average.

Respondent's business formation

Table 4.5 Respondent's business formation

Legal formation	Frequency	Percent
Sole proprietorship	63	31.5%
Private limited company	11	5.5%
Enterprise	125	62.5%
Partnership	1	0.5%
Total	200	100%

Source: Own survey data(2020)

Most of the respondent business formations were on enterprise.

The next relevant data extracted from the table is experience held by the respondent

4.2. Factors influence on Shoe manufacturing Performance

This part of the study contains the respondent's perception on the influence of factors of Ethiopian shoe industry in general and their own respected companies in particular. It is descriptive analysis of the study on the perceptions of the respondents with regard to the dependent variable (shoe performance) and independent variables (Technology, Access to capital, Managerial practice, Brand awareness, Fair competition, Access to Information from consumer union are presented. The mean, standard deviation, frequency and percentage for all variables were computed. The mean is the average value and the standard deviation expresses how much deviated the values are from the mean. A mean score of 3.80 and higher are considered to show high level of agreement, those between 3.40 and 3.79 moderate agreement and a mean of 3.39 and below means low level of agreement (Akmaliah, 2014; as cited by Muhumed and Ssekajugo, 2015).

4.2.1. Influence of technology on shoe manufacturing Performance

The first sets of questions are used for the analysis of influence of shoe manufacturing sector according to respondent's perception or judgment. Four questions were asked with respect to influence of technology applied for product and design, accuracy and cost minimization, and whether it affects their performance or not. A five-point Likert scale, 1, 2, 3, 4, and 5 represent the five agreement levels starting from; strongly disagree, disagree, neutral, agree and strongly agree respectively.

Table 4.6. Influence of technology on shoe Performance

Variables	Mean	Std. Deviation	SD	D	N	A	SA
The organization always applies modern technology	3.82	1.36		34	2	15	51
The organization does not have enough capital to use technology	3.23	1.25		48	4	28	21
The organization have lack of skilled person to use technology	3.40	1.34	1	45	2	22	32
The organization have appropriate machine and equipment	2.60	1.00	3	62	16	13	8
Over all mean	3.26						

Source: Own survey (2020)

Most of the respondents consider the organization frequently modifies production process with upgrading technology which can be observed by 51 percent respondents of strongly agree and another 15 percent agree. While the other 34 percent disagreed. The mean value of respondent's agreement level to this particular question is 3.82 which are greater than 3 and it implies that most of them believed that the organization uses technology to perform its product design and modifications.

On the other hand, when asked whether they use modern technology or not, 62 percent of the participants disagreed and on the use of modern technology. The rest were remained neutral (16%) or agreed (26%), respectively. The mean of respondent's answer for this individual question is 3.4 which are also around the mean value of 3. Lastly, the overall mean value of responses for this indicator is calculated to be 3.2 that mean the participants were having indifferent opinion on the use of technology on shoe manufacturing.

4.2.2. Influence Access to finance on Shoe manufacturing performance

Access to finance in the form of credit is a critical factor for any business, thus the way access, price, credit and credit condition have slightly affected performance of firms. The below table shows to what extent respondents agree on the likert statement /items to measure access to finance. A five-point Likert scale, 1, 2, 3, 4, and 5 represent the five agreement levels starting from; strongly disagree, disagree, neutral, agree and strongly agree respectively. They are abbreviated as follows to be economical with space in the table.

SD: Strongly Disagree, D: Disagree, N: Neutral, A: Agree, SA: Strongly Agree

Table 4.7. Influence access to finance on Performance

Variables	Mean	Std	SD	D	N	A	SA
Inadequacy of credit institutions	4.055	1.25	11.00	1	6.5	34.5	47
shortage of working capital	4.105	1.29	9.00	7.5	1.5	28	54
high collateral requirement from banks and other lending institutions	3.68	1.65	24.00	1.5	8	15.5	51
high interest rate charged by banks and other lending institutions	4.255	1.17	8.00	1.5	6.5	25	59
Shortage of cash management skills	3.815	1.29	7.50	12	12.5	27.5	40.5
	3.982						

Source: Own survey data (2020)

According to the responses of the participants, 81.5 percent of them have agreed that inadequacy of credit institutions has negatively affected their performance. Besides, about 82 percent has said their company face shortage of working capital. Very high proportion of respondents (66 percent) seems to agree on the high collateral requirements. Moreover, most of the respondents believed that they have lack of cash management skill. Looking at the mean value 3.982, greater than the average 3, which means based on respondent's opinion having lack of access to finance has negatively influence the performance of their company's shoe manufacturing.

4.2.3. The influence of Managerial practice on shoe manufacturing Performance

Managerial practice is a key success factor in order to effectively grow a company. The following table shows respondents opinion on the existing practice of their company's management. Effective management practice indicated as satisfaction level on one's duty, assigning the right person in the right place, participating in leadership seminars and gaining enough benefit in return. A five-point Likert scale, 1, 2, 3, 4, and 5 represent the five agreement levels starting from; strongly disagree, disagree, neutral, agree and strongly agree respectively. They are abbreviated as follows to be economical with space in the table.

SD: Strongly Disagree, D: Disagree, N: Neutral, A: Agree, SA: Strongly Agree

Table 4.8. Influence of managerial Performance

Variables	Mean	St.d	SD	D	N	A	SA
I am managing my business effectively	4.01	1.1	3.5	19	3.5	21	53
I am satisfied\happy with what I do	3.595	1.26	9	12.5	15.5	36	27
The organization places the right person in the right job	3.96	1.27	3.5	20.5		28.5	47.5
I encouraged to participate in various seminars and workshops	3.985	1.09	20			41.5	38.5
I am satisfied with the benefits I receive	3.115	1.22	2.5	45	7	29.5	16

Over all	3.733						
----------	-------	--	--	--	--	--	--

Source: Own survey (2020)

For the first question under this variable, most respondents around 74 percent believed that they are effectively managing their business. Besides, above 50 percent of respondents are satisfied by their job. The rest 15.5 percent remained neutral, while 25 percent of participants disagreed. When it comes to practice of assigning the right person on the right place, 47.5 percent said strongly agree and 28.5 percent agreed to the idea. Some 20.5 percent of respondents remained uncertain on the statement (neutral).

The overall mean values (3.7) are very favorable which means respondents did consider a positive managerial practice in their company. Indeed, all observed deviations from the mean were above 1 and it indicates the respondents in inconsistency regarding the existence of best managerial practice at their respective work place.

4.2.4. Influence of Brand awareness on manufacturing Performance

In this part of analysis presentation about the influence of brand reputation, five-point Likert scale was used ranging from strongly disagree having a score of 1 to strongly agree with a score of 5. This variable includes the brand awareness in the customers and companies, according to respondent's opinion.

SD: Strongly Disagree, D: Disagree, N: Neutral, A: Agree, SA: Strongly Agree

Table 4.9. Influence of brand on Performance

Variables	Mean	Std. Deviation	%				
			SD	D	N	A	SA
There is brand awareness in the customers	4.07	1.30	1.00	24.50	2.00	12.00	60.50
People know my brand	4.14	1.15	1.00	15.00	8.50	20.50	55.00
I advertising my brand to create	3.57	1.15	3.00	20.50	17.50	35.00	24.00

awareness							
brands describe the quality of the product	3.13	1.73	35.00	5.50	3.00	24.50	32.00
people buy product by seeing brand not quality	3.01	1.25	1.50	53.00	8.50	17.50	19.50
Lack of brand awareness affect my business	4.87	5.90	8.50	10.00	4.00	23.00	54.50
Average	3.80						

Source: Own survey (2020)

The majority of the respondents (60.5%) believe brand awareness is created in customers, while (25%) respondents disagreed with a standard deviation of 1.3. 75 percent of the respondents also think that their brand is known by the people while 20 percent of them were remain to it. For the third statement most of the participant respondent's opinion were consistent whereby half of them said they have advertised and the same amount of disagreement were recorded for the practice of advertisements of the companies. Indeed, on the Likert item 'lack of brand awareness affects my business' respondents' opinion was very diverged with the highest standard deviation of 5.9. The mean for the six items is 3.8 far from the mean 3. The overall mean is indicating a high agreement level on the importance of advertisement in creating brand awareness of the company.

4.2.5. Influence of fair competitions on performance

The result of perception of the respondent's about competition information on price, quality, market and equal access of government regulations is shown in table 4.7. As a result, if there are no fair competitions it could be a barrier to successful business transactions. The table below shows participants' opinion on the variable's opposing influence on export performance. A five-point Likert scale, 1, 2, 3, 4, and 5 represent the five agreement levels starting from; strongly disagree, disagree, neutral, agree and strongly agree respectively. They are abbreviated as follows to be economical with space in the table.

SD: Strongly Disagree, D: Disagree, N: Neutral, A: Agree, SA: Strongly Agree

Table 4.10. Influence of fair competition Performance

	Mean	Std. Deviation	SD	D	N	A	SA
I know my competitor's strength and weakness	3.445	1.69	21.5	17.5	4.5	8	48.5
My product is competitor	3.665	1.33	13	9	5	44.5	28.5
There is fair play in the market	2.73	1.12	1	64.5	6.5	16.5	11.5
competition in the market is in price not in quality	4.21	7.04	29.5	9	0.5	29	32
I have accessible information on government regulations that are relevant to my business	2.71	1.09		65	11.5	11	12.5
Average	3.352						

Source: Own survey (2020)

About 56.5percent of respondents 'strongly agreed' and 'agreed' to the first statement which suggests existence of information aboutcompetitors, while 39 percent were disagree and the remaining 4.5 percent stayed neutral to it. Besides, respondents gave similar agreement level to the competitiveness. However, most participants were neutral (65 percent) on the existence of fair play in the market and existence of accessible information on government regulations that are relevant to my business, respectively. The mean value 4.21 and standard deviation 7.04 is the highest for question (4) that says competition in the market is in price not in quality. The grand mean is at 3.35 which mean respondents' neutral agreement or uncertainty to the variables of fair competitions performance of their companies and/or the sector.

4.2.7. Measurements of shoe manufacturing Performance

Shoe manufacturing performance is measured by growth increased in sales, increased in profit, capital and saving (Tomas c.). A five-point Likert scale, 1, 2, 3, 4, and 5 represent the five

agreement levels starting from; strongly disagree, disagree, neutral, agree and strongly agree respectively. They are abbreviated as follows to be economical with space in the table.

SD: Strongly Disagree, D: Disagree, N: Neutral, A: Agree, SA: Strongly Agree

Table 4.11. Shoe manufacturing Performance Measurements

Variables	Mean	Std	%				
			SD	D	N	A	SA
Getting appreciation for my performance from different agencies	4.07	1.30	1	25	2	12	61
Ability to use new modern technology	4.14	1.15	1	15	9	21	55
More income generated from the business	3.57	1.15	3	21	18	35	24
Increased saving on money	3.13	1.73	35	6	3	25	32
Investments in properties (e.g., house)	3.01	1.25	2	53	9	18	20
Ability to hire more labor (e.g., workers)	4.87	5.90	9	10	4	21	55
Increase in the working capital of the business	3.08	3.14	14	10	61	15	1
Increase in the sales volume of my business	2.67	14.00	12	18	64	8	
Increase in the profitability of my business	2.82	1.07	12	31	24	32	2

Over all mean	3.48						
---------------	------	--	--	--	--	--	--

Source: Own survey (2020)

At this portion of the study the dependent variable and its measurements are presented based on respondent’s opinion. The first one is whether their company is getting appreciation by customers, 61 percent strongly agreed and 12 percent said agree. And the remaining 26 percent were disagreed. Respondents’ opinions are expressed with mean value of 4.07 which means respondents believed got positive word about their performance perceived by customers. Next is about the capability to adopt new technology, most of the respondents, 55 percent were strongly agreed and 21 percent agreed, while 16 percent were disagreed and the remaining 9 percent remain neutral. The mean value here is 4.14, which implies most of the participants were able to buy modern technology.

As for the increase of income generated, 35 percent were strongly agreed and 24 percent were strongly disagreed, while 24 percent of the respondents and the remaining 18 percent were neutral. Besides, most of the participants were neutral on the increase in the working capital of the business and increase in sales volume and invest in property. (61 percent,62 percent and 51 percent) respectively. While most of the respondents agreed on their ability creating an employment opportunity with favorable mean of 4.87 or high-level agreement (76 percent) by summing up both agreed and strongly agreed.

The overall mean value 3.4 reflects the status of shoe manufacturing performance of by selected companies in Addis Ababa according to respondents’ opinions. This value is around the mean value of (3) or most of them replied uncertain (inconsistent answer). The grand mean is at 3.35 which mean respondents’ neutral agreement or uncertainty to the variables of fair competitions performance of their companies and/or the sector.

4.3. Relationships between determining factors of footwear industries and their performance

4.3.1. Correlation Analysis

In order to identify the relationships between dependent and independent variables correlation analysis is applied. Correlation measures relationships existing between variables and does not

particularly imply causal connections. Pearson correlation was used to analyze relationships between individual set of many variables that influence shoe manufacturing companies, in this case technology; access to finance, managerial practice fair competitions and brand reputations with measures of shoe manufacturing performance. Furthermore; the sign of correlation coefficient determines whether the correlation is positive or negative. The degree of strength of association is determined by the magnitude of the correlation coefficient. Correlation coefficients equal to 0.70 and higher are said to have strong association whereas those between 0.50-0.69 have substantial association, those between 0.30-0.49 have moderate association, 0.10-0.29 have low association and those having 0.09 and below are considered to have negligible association (Akmaliah, 2014; as cited by Muhumed and Ssekajugo, 2015).

Table 4.12 Correlation Analysis

		Techno logy	Capital	Managerial practice	Competiti ons	Brandin g	Shoe manufacturing Performance
Technolog y	Pearson Correlati on	1	-0.613	-0.317	-0.746	0.852	0.583
Capital	Pearson Correlati on	-0.613	1	0.299	.968**	0.165	0.305
Manageria l practice	Pearson Correlati on	-0.317	0.299	1	0.465	0.367	0.715
Competiti ons	Pearson Correlati on	-0.746	.968**	0.465	1	0.159	0.323
Branding	Pearson Correlati on	0.852	0.165	0.367	0.159	1	.872*
Performan	Pearson	0.583	0.305	0.715	0.323	.872*	1

ce	Correlati on						
	Sig. (2- tailed)	0.417	0.618	0.174	0.596	0.024	

Source: Own survey (2020)

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

Among the determining factors, there is only a statistically significant correlation between branding and performance was positive ($r=0.872$, $p<0.5$, where p value is 0.024). This indicates that as product branding increases the performance of footwear firms also increases.

Table.4.13 overall mean of the mean

Variable	Mean
Mean of technology	3.26
Mean of finance	3.982
Mean of managerial practice	3.733
Mean of brand awareness	3.80
Mean of competition	3.352
Grand mean	3.63

Source: Own survey (2020)

4.4. Findings

The finding suggest that the overall respondents indicated with mean **3.61** out of 5, in percentage term 72.2 percent of the surveyed respondents believed their companies were positively affected

by the influencing variables such as technology, access to finance, managerial practice and fair competitions and brand reputations. Whereas 28.8 percent of the participants were disagreed or remained neutral on the statements they were asked. The result is said to be moderate. Regarding the shoe manufacturing performance measures, respondents replay at mean value of 3.4 indicated their inconsistency or neutral replay on the performance likert statements.

Looking at the survey result in breakdown, a total of 25 statements were presented to indicate their level of agreement on the factors and 9 statements were presented on the performance. The highest agreement level (79.6 percent) is recorded in the area of access to finance questions, followed by brand reputation rated 76 percent. Whereas, the lowest agreement level (64.2 percent) is recorded in the area of technology items.

Particularly, the disagreement is in where organization develops and test new product design generated or not, technology of the company is better than competitors, whether there is fair play in the market. On the other hand, participants were uncertain /neutral on the statements stated below: whether organization always applies modern technology and the technology for the business is better than competitors.

Finding on the association of shoe manufacturing factors and shoe manufacturing performance were measured. Accordingly, only branding has statistically significant correlation with the performance of footwear firms ($r=0.872$, $p < 0.05$). However, the rest of determining factors did not have a statistically significant correlation with the performance of footwear firms. Across demographic group, most of the surveyed are male, adult, with legal formation of enterprise and having 3-5 years of business experience.

CHAPTER FIVE

SUMMARY. CONCLUSION AND RECOMMENDATION

5.1. Summary

The main objective this study is to examine the factors influencing the performance of footwear industry in Ethiopia. In order to determine the factors that influence the performance of footwear manufacturing firms, descriptive and inferential statistical techniques were used to analyze the primary quantitative data collected through structured questionnaires from footwear firms. Appropriate tests were also undertaken in order to check the validity and reliability of questionnaires and the normality of the data. Descriptive statistics, correlation and multiple Regression analyses were carried out by using SPSS version 20 programs and the result is summarized as follow.

Among the overall respondent 72.2 % of the surveyed respondents believed their companies were positively affected by the influencing variables such as technology, access to finance, managerial practice and fair competitions and brand reputations.

Across demographic group, most of the surveyed are male, adult, with legal formation of enterprise and having 3-5 years of business experience.

5.2. Conclusion

This research was conducted in Addis Ketema Sub City of Addis Ababa with the prime intent of critically assessing the factors influencing the performance of SEs operators engaged in footwear industries. Specifically, the study attempted to examine the factors influencing performance of footwear and demographic characteristics of respondent to recommend possible solution to alleviate the problem of the performance of footwear industries. Based on the objectives and findings of the study, the following conclusions are worth drawn.

Most of the surveyed respondents believed their companies were positively affected by the influencing variables such as technology, access to finance, managerial practice and fair competitions and brand reputations. That means the result is moderate.

The highest agreement level (79.6 percent) is recorded in the area of access to finance questions, followed by brand reputation rated 76 percent. Whereas, the lowest agreement level (64.2 percent) is recorded in the area of technology items.

Branding has statistically significant correlation with the performance of footwear firms ($r=0.872$, $p < 0.05$). However, the rest of determining factors did not have a statistically significant correlation with the performance of footwear firms

Most of the surveyed are male, adult, with legal formation of enterprise and having 3-5 years of business experience.

5.3 Recommendation

Based on the findings of the study and conclusions drawn from them, the following possible and plausible recommendations are suggested for actions to be undertaken by each stakeholder at different levels: -

- In order to improve the performance, the firm should invest on advertisement or on brand awareness creation.
- the government should support them by giving them different seminars, workshop, training on leadership and marketing.
- with the current Ethiopian financial shortage and the banking system procedures cannot produce and deliver their products to the customers. Hence, government has to device an easy access of financial system procedures for local firms in order to enter in the market.
- the firm should technological capability to compete their competitors in the market. It is advisable that local firms share and acquire a technological know-how in Ethiopia and in abroad making a partnership with them. In addition to this, government has to support the industries to have a technological capability through ministry of science and technology (MOST) and institutions.
- currently there is no any export promotional support for export firms from government and non-governmental organization. Local firms require a help and guidance to identify potential opportunities, to do market research, to participate in foreign trade shows etc. Therefore, the

governmental and nongovernmental institutions should have support local manufacturing firms in order to stay in the market.

Generally, in order to increase the performance of local footwear firms in the market, it is recommended that firms have to improve their financial status, brand awareness and technological capability on their side. On the other hand, the government has to support them by giving special incentives that promote the manufacturing industry in terms of finance accessibility and promotional support.

REFERENCE

- Aaker, D. A. (1991). *Managing Brand Equity: Capitalizing on the Value of a Brand Name*. New York: *The Free Press*. Aaker, D. A. (1996). *Building Strong Brand*. New York: The Free Press Aaker, D. A. (2002). *Building Strong Brand*. New York: The Free Press Ayanwale, A. B., Alimi, T. and Ayanbimipe, M. A. (2005) the Influence of Advertising on Consumer Brand Preference. *Journal of social science*.
- BeyeneGezaw (2009), “*Economic Analysis and Measuring the Domestic Competitiveness of an Import Substituting Firms: the case of Tabor Ceramic Products 71 (TCPSC)*”, Master Dissertation, Addis Ababa University School of Graduate Studies, Addis Ababa
- Cameron, K. S., & Whetten, D. A. 1983. Organizational effectiveness: One model or several? In K. S. Cameron, & D. A. Whetten (Eds.), *Organizational Effectiveness: A Comparison of Multiple Methods*: 1-24. New York: Academic Press.
- Chen, M. A., Jhabvala, R. & Lund, F. (2002) *Supporting Workers in the Informal Economy: A Policy Framework*, Geneva, Employment Sector International Labor Office.
- Chizea, B. I. (2002) "Policy Options for Financing the Manufacturing Subsector in D’Cruz J and A Rugman (1992), “New concepts of Canadian competitiveness”, Kodak, Canada. Da Costa, A.B. (1993) Edition. Wadsworth Thomson learning.
- EndalewAdamu, (2011). *Factors Affecting Consumers’ Shoe Preference*, Unpublished Master Thesis, Addis Ababa University College of Management, Information, and Economic Science Master of Business Administration Program.
- Ethiopia Investment Guide (2012), Ethiopian Investment Agency, Addis Ababa.
- Ethiopian trade and investment (2010) *Leather and Leather goods Investment opportunities*.
- Kotler P. and G. Armstrong (2005) *Principle of Marketing*, 12th edition, New Jersey, USA.

- Kotler p., Veronica W., Saunders J., Armstrong G. (1999) Principles of Marketing. Fourth European Edition: Milan RotolitoLombards,
- Makhbul, Z.M. (2011) Entrepreneurial Success: An explanatory Study among Entrepreneurs. International Journal of Business Management. Vol. 1(6). Pp1-10.
- Masurel EK, van Montfort 2006. Life cycle characteristics of small professional service firms. Journal of Small Business Management, 144(3): 461-473.
- McPherson, M. A. (1996) Growth of Micro and Small Enterprises in Southern Africa, Journal of Development Economics.
- NebiyuTeshahun(2015). An Assesment of Consumer’s Perception towards the Quality of Ethiopian Leather Shoes products.
- Oboh GAT 2002. Bank Participation in the Promotion of Small & Medium scale Enterprises. Being a Paper Presented at the 6th Fellows & Associates Forum of CTBN on 13th April.
- Parthiban. P. and Raju. R., “Productivity Improvement in Shoe Making Industry using Method Study”,IOSR Journal of Mechanical and Civil Engineering, e-ISSN: 2278-1684, pp.1-8, 2008.
- Sethuraman, S. V. (1997) *Urban Poverty and the Informal Sector: A Critical Assessment of Current Strategies* Geneva, International LabourOffice,Storey, D.J. (1994), Understanding the small business sector,
- TetsushiSonobe, John E. Akoten, and Keijiro Otsuka, (2009). *An Exploration into the Successful Development of the Leather-Shoe Industry in Ethiopia.*
- Thibault,M., Wilcock, A. and Kanetkar, V. (2002). *An explanatory study of factors influencing sales performance of small and medium sized enterprise, proceedings of the Administrative sciences association of Canada, Manitoba.*
- Thomson.Takahashi, S.I.Y. (2009). *Entrepreneurs as decisive human resources and business.Performance for the Lao SMEs. Chinese Business Review* 8(7):29-47.
- Tilman Altenburg (2010). *Industrial Policy in Ethiopia. DeutschesInstitutfürEntwicklungspolitik.*

- Tomas Cherkos (2011) *Performance Analysis and Improvement of Ethiopian Leather Footwear Factories.*
- Unido Evaluation Group (2010). *Independent Evaluation Report Technical assistance project for the upgrading of the Ethiopian leather and leather products industry, United Nations industrial development organization Vienna, 17-35.*
- Unido Evaluation Group (2012). *Independent Evaluation Report Technical assistance*
- Winer, R.S. (2004). *Marketing management, Upper Saddle River, NJ: Prentice Hall Publishing Company.*
- Wolfenson, J.D (2001). *Comparing the Performance of Male and Female-controlled businesses: relating outputs to inputs. Entrepreneurship Theory and practice. 26(3). Pp 91-100. Small-Scale Manufacture of Footwear (ILO - WEP, 1982, 228 p.*
- Antigen Kebede (2019). *Determinants of Export Performance of Domestic Ethiopian Leather footwear manufacturing firm.*
- Unido Evaluation Group (2010). *Independent Evaluation Report Technical assistance project for the upgrading of the Ethiopian leather and leather products industry, United Nations industrial development organization Vienna, 17-35.*
- UNDP (2013). *United Nations Development Program in Ethiopia Annual Report.*
- Internet Materials
- Google, Wikipedia
- Addis abeba university
- Addis Ketema administration office
- Allied market research

Appendix – 1
QUESTIONNAIRE
ST. MARY UNIVERSITY
SCHOOL OF GRADUATE STUDIES
GENERAL MBA

Questionnaire to be completed by TehutMoges

Dear respondents,

This study is conducted in partial fulfillment of the Degree of Master of Business Administration in St. Mary's University. The objective of the study is to examine the factors influencing the performance footwear industry in Addis Ababa, Ethiopia in the case of SME in Addis Ketema sub city. To this end, questionnaire survey is conducted to collect pertinent data for the study. This questionnaire has three parts. Part one includes demographic or personal questions and part two deals with questions aimed to assess the factors affecting the performance of footwear industry in Addis Ketema sub city. Part 3 consists of questions attempts to measure the performance of footwear firms. The outcome of the study will be used in order to suggest possible solutions for the stated research problems. The information you provide will be used for academic purpose. It will be kept confidential and hence you are not required to mention your name, address and other personal information. The survey will take 15 minutes to complete. Your genuine and timely response is essential for the successful accomplishment of the study. I would like to thank you very much for your willingness to participate in this study by sparing your precious time.

TehutMoges

Part 1: Demographic information

1. Please indicate your gender:

A] Male

B] Female

2. Please indicate your highest level of education:

A] Able to read and write

B] Grade 10 completed

C] Grade 12 completed

D] Technical and vocational education and training (TVET)

E] Bachelor degree

F] Master Degree and above

3. Please specify your age from the given options.

A] Below 25

B] 25 to 34

C] 35 to 44

D] 45 to 54

E] 55 to 64

F] Above 64

4. Please specify year of experience.

A] Below 1

B]1 to 3 year

C] 3 to 5 year

D]Above 4 year

5. Please specify type of your business formation

A]Sole proprietor

B]Private limited company

C]Enterprise (corporation)

D] Partnership

PART 2: FACTORS INFLUENCING THE PERFORMANCE OF FOOTWEAR INDUSTRY IN SMALL MEDIUM ENTERPRISES

The major factors influencing the performance of footwear industry in case of small medium enterprise are listed below. Please indicate the degree to which these factors influencing the performance of your business enterprise. After you read each of the factors, evaluate them in relation to your business and then put a tick mark (✓) under the choices below. Where, 5 = strongly agree, 4 = agree, 3 = neutral, 2 = disagree and 1= strongly disagree.

1. Please indicate the degree to which you agree with the following statements concerning technological factors.

NO	Technological Factors	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	The organization always applies modern technology					
2	The Organization doesn't have enough					

	capital to use technology					
3	The organization have lack of the skilled person touse technology					
4	You have the appropriate machinery and equipment					

2. Please indicate the degree to which you agree with the following statements concerning access to capital factors.

NO.	Access to Capital	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	Inadequacy of credit institutions					
2	There is shortage working capital					
3	high collateral requirement from banks and other lending institutions					
4	high interest rate charged by banks and other lending institutions					
5	You have cash management skills					

3. Please indicate the degree to which you agree with the following statements concerning access to managerial practice factors

NO	Access to Managerial practice	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	I am managing my business effectively					
2	I am satisfied\happy with what I do					
3	The organization places the right person in the right job					
4	I encouraged to participate in various seminars and workshops					
5	I am satisfied with the benefits you receive.					

4. Please indicate the degree to which you agree with the following statements concerning access to brand awareness factors.

NO.	Access to Brand awareness	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)

1	There is brand awareness in the customers					
2	People know my brand					
3	I advertising my brand to create awareness					
4	brands describe the quality of the product					
5	people buy product by seeing brand not quality					
6	Lack of brand awareness affect my business					

5. Please indicate the degree to which you agree with the following statements concerning access of competition factors.

No.	Access of competition	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly agree (1)
1	I know my competitor's strength and weakness					
2	My product is competitor					
3	There is fair play in the market					
4	competition in the market is in price not in quality					
5	I have accessible					

	information on government regulations that are relevant to my business					
--	--	--	--	--	--	--

6. Please indicate the degree to which you agree with the following statements concerning access to consumer's factors.

No.	Access to consumers	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	There are accessible trade organizations					
2	Being a member of organizations like chamber of commerce is not useful for my enterprise					
3	Access to an organization that conduct marketing research is not useful					
4	Being a member of trade organizations provides marketing advantage isn't good for my business					
5	Being a member of trade organization is not useful					

7. Please indicate the degree to which you agree with the following statements concerning access to productivity factors.

NO.	Access to productivity	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	My product is efficient					
2	Using technology increase my productivity					
3	Labor increase productivity					
4	My firm produces according to customers specifications					
5	My working environment is comfortable					

Part 3: The performance of footwear industry

This part of the survey is aimed to assess the performance of footwear firms. Thus, you are kindly asked to assess the performance of your footwear firm in comparison to similar firms operating in the footwear industry.

Item	1= much less than I expected 2= less than I expected, 3= As expected (average), 4= more than I expected, 5 = much more than I expected			
1. Getting appreciation for my performance from different agencies				
2. Ability to use new modern technology				
3. More income generated from the business				
4. Increased saving on money				
5. Investments in properties (e.g., house)				
6. Ability to hire more labor (e.g., workers)				
7. Increase in the working capital of the business				
8. Increase in the sales volume of my business				
9. Increase in the profitability of my business				

መጠይቅ

ቅድስተማሪያምዩኒቨርሲቲ

የድህረምረቃጥናት

ጀኔራልኤምቢኤ

ክፍል 1: መግቢያ

ክቡራን የመጠይቁ መላሾች፤

እኔ በቅድስተማሪያምዩኒቨርሲቲ የድህረምረቃ ተመራቂት ማረስ ሆን። በአሁኑ ጊዜ “

አነስተኛ እና መካከለኛ ጫማ ስራ ላይ ተደራጅተው የሚገኙ የንግድ ድርጅቶች ምርታማነት ላይ ተፅዕኖ የሚያሳድሩ ምክንያቶች፡ የአዲስ ከተማ/ከተማ ኬዝ/ጉዳይ በተመለከተ”

ጥናት በማድረግ ላይ እገኛለሁ። እርስዎ በዚህ ጥናት ውስጥ ለመጠይቁ ላሽ ለመስጠት ከተመረጡት ሰዎች መካከል አንዱ ነዎት። እርስዎ በዚህ መጠይቅ ላይ ተሳትፎ የሚያደርጉት በሙሉ ፈቃደኝ ነኝ።

እርስዎ በዚህ መጠይቅ ውስጥ የሚሰጡት መረጃ ሚስጥራዊነቱ የሚጠበቅ ሲሆን በዋናነት ምላጥናት እና ምርመራ አላማብቻ የሚውል ነው። የማንኛውም ግለሰብ ምላሾች እንደሚገለጡ እና ለመጠይቁ ላሽ የሚሰጡ ግለሰቦች ማንነት ምንም ዓይነት ጥወዳዎች ለማድረግ ወይም ለማንም አካል እንዲታወቅ የማይደረግ ነው ማለት ነው። በቅድሚያ ብብርሰት ለማድረግ ጊዜዎችን ስለሰጡኝ ከወዲሁ ለማመስገን እወዳለሁ።

ትሁት ሞገስ

መመሪያዎች

ስም መጻፍ አስፈላጊ አይደለም

ተመሳሳይ ወይም ተዛማጅ አይነት ዘይቤ ላላቸው ዝርዝር ሀሳቦች/የምርጫ ጥያቄዎች () በተገቢው ሰነድ ስትያስቀምጡ

ክፍል 1 አነስተኛ እና መካከለኛ ኢንተርፕራይዝ ባለቤቶች የግል መረጃዎች እና ጠቅላላ መረጃዎች

1. ጾታ

ሀ) ወንድ

ለ) ሴት

2. እድሜ 25 በታች

ሀ) 25-30

ለ) 35-44

ሐ) 45-54

መ) 55-64

ሠ) 65 በላይ

3. ከፍተኛ የትምህርት ደረጃዎችን ያመልክቱ

ሀ) ማንበብ እና መጻፍ

ለ) 10 ያጠናቀቀ

ሐ) 12 ያጠናቀቀ

መ) ቴክኒክ እና ሙያ

ሠ) የመጀመሪያ ዲግሪ

ረ) ማስተርስ ዲግሪ

4. በስራ ላይ የቆዩበት ጊዜ

ሀ) 1 አመት በታች

ለ) 1-3

ሐ) 3-5

መ) 5አመትበላይ

5. ድርጅቱዘርፍአይነት

ሀ) የግልተቋም

ለ) ሀላፊነቱየተመሰረተየግልጫህበር

ሐ) ኮርፖራሽን

መ) ሸርክና

እባክዎቀጥሎላሉትጥያቄዎችየሚከተሉትንመልስይስጡ

በጣም እስማማለሁ (5)

እስማማለሁ (4)

ድምጽተክቅቦ (3)

አልስማማ (2)

በጣም አልስማማም (1)

1. እባክዎ ቴክኖሎጂ ምክንያቶች ጋር በተመለከተ ቀጥሎ ከተዘረዘሩት ሃሳቦች ጋር ምን ያህል እንደሚስማሙ ያመልክቱ።

ተ.ቁ	ቴክኖሎጂ ምክንያት	በጣም እስማማለሁ (5)	እስማማለሁ (4)	ድምጽተክቅቦ (3)	አልስማማም (2)	በጣም አልስማማም (1)
1	ድርጅቱ ሁልጊዜ ዘመናዊ ቴክኖሎጂ ይጠቀማል					
2	ድርጅቱ ቴክኖሎጂ ለመጠቀም የገንዘብ እጥረት አለበት					
3	ድርጅቱ አዲስ ቴክኖሎጂ ለመጠቀም ባለሙያ እጥረት አለበት					
4	ድርጅቱ ተገቢ የሆኑ ማሻሻያዎች አስፈላጊ ግብአቶች አሉት					

2. እባክዎ የገንዘብ አቅርቦት ምክንያቶችን በተመለከተ ከቀረቡት ዝርዝሮች ጋር ምን ያህል

እንደሚስማሙ ያመልክቱ።

ተ.ቁ	የፋይናንስ አቅርቦት	በጣም እስማማለሁ (5)	እስማማለሁ (4)	ድምጽተክቅቦ (3)	አልስማማም (2)	በጣም አልስማማም (1)
1	የብድር ተቋማት በበቂ ሁኔታ የሉም					
2	የስራ ካፒታል ገንዘብ እጥረት አለ					
3	ከባንኮችና ሌሎች የብድር ተቋማት የሚጠይቁት ከፍተኛ የብድር ማስያዣ መስፈርቶች					

4	የባንኮችና የሌሎች የብድር ተቋማት የሚጠይቁት ከፍተኛ የሆነው ለድ					
5	ተገቢ የሆነ የካሽ/ገንዘብ ማኔጅመንት ክህሎት እጥረት					

3. እባክዎ የአመራር ክህሎት ምክንያቶች በተመለከተ ከቀረቡት ዝርዝሮች ጋር ምን ያህል እንደሚሰማሙ ያመልክቶ::

ተ.ቁ	የአመራር ክህሎት	በጣም እስማማለሁ (5)	እስማማለሁ (4)	ድምጽተክ ቅጠ (3)	አልስማምም (2)	በጣም አልስማምም (1)
1	ድርጅቱ በበቂ ሁኔታ እያስተዳደር ኩነው::					
2	በምሰራው ስራ ደስተኛነኝ					
3	ድርጅቱ በሚገባው ቦታ ላይ የሚገባውን ሰው ያስማራል					
4	የተለያዩ ወርክሾፕ እና ሴሚናሮች ላይ እንድንሳተፍ ያበረታታል::					
5	በስራ ላይ በማገኘው ምላሽ ደስተኛነኝ					

4. እባክዎ ምልክት (አርማ) ምክንያቶች በተመለከተ ከቀረቡት ዝርዝሮች ጋር ምን ያህል እንደሚሰማሙ ያመልክቱ::

ተ.ቁ	ምልክት (አርማ)	በጣም እስማማለሁ (5)	እስማማለሁ (4)	ድምጽተክ ቅጠ (3)	አልስማማም (2)	በጣም አልስማማም (1)
1	ሀብት ሰጠው ስለአርማው / ምልክት ዕውቀት አለው					
2	ሰዎች የድርጅቱን አርማ/ምልክት ያውቁታል::					
3	አርማዬ / ምልክት ለማስተዋወቅ የተለያዩ ማስታወቂያዎችን እጠቀማለሁ::					
4	የድርጅቱ አርማ / ምልክት / ጥራቱን ይግልጻል::					
5	ሰዎች አርማ/ምልክት እንጂ ጥራቱ					

	ንአያዩም/አይገዙም/					
6	አርማ /ምልክትአለመታወቁስራዬላይተ ጽእኖአለው።					

5. እባክዎተፎካካሪዎች

/ተወዳዳሪዎችምክንያትበተመለከተከቀረቡትዝርዝሮችጋርምንጥህልእንደሚስማሙይመለክቱ።

ተ.ቁ	ተወዳዳሪዎች (ተፎካካሪ)	በጣምእስማማለሁ (5)	እስማማለሁ (4)	ድምጽተአቅቦ (3)	አልስማማም (2)	በጣምአልስማማም (1)
1	የተወዳዳሪዎቼጥንካሬናድክመት አውቃለሁ።					
2	ምርቴገበያላይተወዳዳሪነው					
3	ገበያላይያለውየውድድርአግባብ ያለውነው					
4	ገበያላይያለውውድድርበዋጋእንጂ በጥራትአይደለም።					
5	ከመንግስትጋርያለውጠቃሚመረጃየማግኘትዕድሉአለኝ					

6. እባክዎሸማቾችምክንያትበተመለከተከቀረቡትዝርዝሮችጋርምንጥህልእንደሚስማሙያመለክቱ

ተ.ቁ	ሸማቾች	በጣምእስማማለሁ (5)	እስማማለሁ (4)	ድምጽተአቅቦ (3)	አልስማማም (2)	በጣምአልስማማም (1)
1	የንግድድርጅቱተደራሽነው					
2	የንግድምክርቤትአባልመሆን ለድርጅቱጥቅምየለውም					
3	ጥናትከሚያደርጉድርጅቶችጋር አብሮመስራትጥቅምየለውም					
4	የንግድድርጅቶችላይላግብይት ጥናትየሚሰሩድርጅቶችአባል መሆንየለበትም					

2	አዲስቴክኖሎጂ የመጠቀም እድል አግኝቻለሁ					
3	ከምሰራው የንግድ ስራ የበለጠ ገቢ አግኝቻለሁ					
4	የገንዘብ መቆጠብ አቅም ጨምሯል					
5	በንብረቶች ላይ ኢንሹራንስ ማድረግ / ለምሳሌ ቤት አቅም ጨምሯል።					
6	ተጨማሪ የስራ ሀይል መቅጠር ብቃት / ለምሳሌ ሰራተኞች አቅም ጨምሯል።					
7	ለንግድ ሥራው የሚሆን የስራ ካፒታል / ገንዘብ አቅም ጨምሯል					
8	በምሰራው የንግድ ስራ የሽያጭ መጠን መጨመር					
9	በምሰራው የንግድ ስራ ትርፋማነት ጨምሯል።					