Innovations

Factors affecting Micro and Small Enterprises performance in the Case of Arsi Negele Town: Ethiopia

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ABSTRACT: *Micro and Small Enterprises (MSEs) in ArsiNegele town do not function at the required level, and some of the businesses have gone out of business in their infancy. As a result, this research was carried out to determine the elements that influence the success of micro and small enterprises in ArsiNegele town. Descriptive research designs were used in this study. Primary and secondary data were acquired for the analysis, with the preliminary data collected through questionnaires and focus group discussions. Based on Yemen's 1967 Sampingtechniques, a simple random sampling technique, the study chose 155 Micro Small Enterprise from 1362 MSE found in ArsiNegele town. The study discovered that external and internal factors influenced MSE performance and that their presence might improve the regular operation of micro and small businesses. The study used correlation and regressions analysis. MSE performance and correlation coefficients demonstrated a substantial positive link. Infrastructure, opportunity-seeking Political, legal, financial, marketing, working conditions, commitment to the work, demand for efficiency and quality, goal setting, risk-taking, information seeking, and self-confidence are all factors that positively impact MSE performance (profit). Similarly, variables such as technological, opportunity seeking, commitment to the work, demand for efficiency and quality, risk-taking, political, legal, financial, marketing, working conditions, information seeking, and self-confidence positively impact MSE (capital) performance. They have a significant effect on MSE performance. Furthermore, variables such as technological, opportunity seeking, commitment to the work, demand for efficiency and quality, risk-taking, political, legal, financial, marketing, working conditions, information seeking, and self-confidencepositively impact MSE performance. They have a significant effect on MSE performance in terms of employee count. As a result, strengthening such factors improves MSE performance. The study recommends that the government be more transparent with all supporting and service delivery packages and that the officials have to close supervision of MSEs. Furthermore, policymakers and service provider institutions must consider and adjust the extent, intensity, and quality of support and their interconnections to lessen the impact of external and internal factors on MSE performance.*

KEY WORDS*: 1.Micro, 2.Small, 3.Performance, 4.Profit, 5.Capital, 6. ArsiNagele*

CHAPTER ONE

1. The Study's Background

Micro and small businesses (MSEs) have become engines of poverty reduction, job creation, and company development in various countries worldwide (Chitithaworn et al.:2011). Micro and small businesses are increasingly considered powerful engines for economic performance and growth in most economies in the modern global economy (Muzenda, 2014). Most industrial development policymakers in developing countries have recognized MSEs' significant contribution to achieving sustainable local economic growth and poverty reduction by creating job opportunities (Swerczek& Ha, 2003).

The performance of the MSE sector is intimately linked to the nation's performance, as is its contribution to the economy of each country (ILO, 2009). The importance and focus on MSEs have been brought to the attention of policymakers, planners, and industry because a society is built not on a large scale but on individual and small initiatives by visionaries from MSEs, and they are the foundation for the shift from agrarian to the industrial knowledge base (Haily, 2007).

The MSE sector in Africa delivers several economic benefits, the most important of which is the industry's recognized ability to produce income and employment for many people (Fjose, Grunfeld, and Green, 2010).

Following the country's strategy, the government of Oromia Regional State encourages the growth of micro and small businesses to produce income and give work opportunities to the unemployed. Micro and small-scale firms offered job possibilities for 525,729 people in industries such as manufacturing, construction, trade, urban agriculture, and service, according to the annual report of the Oromiaregional State Micro small and medium enterprise agency within five years in the region(Oromia MSMEs 2021).

The Micro and Small Enterprises Development Office (AMSEDO) in ArsiNagele town was created in 2008 to promote and facilitate the growth of MSEs so that they can contribute to the economy. Micro and small businesses in ArsiNagele town play an essential role in reducing unemployment and providing job possibilities for university and TVET graduates. However, in ArsiNagele town, the performance of micro and small businesses did not meet expectations.

1.4 STATEMENT OF THE PROBLEM

Micro and small businesses account for the great majority of companies in Europe, Japan, and the United States, and they have contributed significantly to employment and economic growth (Muller et al., 2014). In addition, many nations in Sub-Saharan Africa reported having many MSEs in their economies (Tvedten, Wende, Hansen, 2014).

Micro, small, and medium-sized enterprises (MSEs) in Ethiopia have a massive potential for creating jobs for the majority of the urban population (FDRE, 2011). The newly amended government policy aims to create an enabling environment for MSEs by establishing a national strategy framework and coordinated programs at the federal, regional, and local levels. Currently, the Ethiopian government provides direct support to MSEs. The government is also committed to facilitating joint ventures and MSE cluster growth and subcontracting and commercial linkages between smaller and larger businesses (FDRE, 2011).

Several studies have been conducted in Ethiopian cities such as Addis Ababa, Dire Dawa,Adama, Hawassa, Mekele, Bahirdar, and Jigjiga to factors affecting the success of micro and small businesses (Berihu, Abebaw;

MUDC survey, 2013;Biruk, 2014and Weldegbriel, 2012). Admasu'sstudyshows that both external and internal factors influence the performance of micro and small enterprises (MSEs) (Admasu;2012).

Finance, marketing, working conditions, and infrastructure are external elements, whereas management and entrepreneurial aspects are internal factors.

So far, many micro and small businesses in ArsiNagele town have failed to meet the required performance standards, and some have even closed their doors in their infancy. According to data from the Micro and Small Enterprises Office of ArsiNegele townTown (2022), 192 MSEs out of 1362 failed to continue operations at the end of the year (ArsiNagele MSMEs office annual report, 2020). The researcher was inspired to conduct the study as a result of this.

On the other handstudy on the challenges and opportunities of micro and small-scale enterprises in ArsiNagele town conducted by Desta (2019) shows that factors such as financial,human resource, environmental, and business management skills, as well as market-related factors, are limiting MSE growth. His research topic focuses on comprehensive factors that impasse MSE growth and survival; nevertheless, the paper does not explicitly state which internal factors. Furthermore, his research did not precisely measure MSE growth and survival.

As a result, the internal and external factors affecting the performance of micro and small firms in various sectors, including construction, manufacturing, urban agriculture, commerce, and service, were the primary focus of this study.

1.5 RESEARCH OBJECTIVES

The study's overall objective is to discover characteristics that influence the success of micro and small enterprises in ArsiNegele town.

1.5.1 Specific Objectives

The specific objectives of the study are :

1) Determine the external elements influencing MSE performance in ArsiNegele Town.
2) Examine the internal elements that influence MSE performance in ArsiNegele Town.
3) Determine the extent to which external influences impact MSE performance.
4) Determine the amount to which internal factors influence MSE performance.

1.6 Research Question

The study provided answers to the following questions.
- What are the internal elements that influence MSE's success in ArsiNagele town?
- What external factors influence the performance of ArsiNegele town's MSEs?
- To what extent do internal factors influence MSE performance?
- To what extent do external influences influence MSE performance?

1.7 Scope of the study

In ArsiNegele, the study looked at the factors that determine MSE performance. The study was limited to internal and external factors influencing MSEs formal registered in sectors such as manufacturing, construction, commerce, services, and urban agriculture due to the time, energy, and financial resources

required to accomplish it. Furthermore, this study focused just on profit, capital, and number of micro and small firms (MSEs), with no consideration for other performance measures.

1.8 Significance of the Study

The findings of this study assist academics in furthering their research in this field by offering a better grasp of the essential aspects that influence MSE performance. In addition, the findings of this study are used by the regional administration to address crucial elements that affect MSE performance. Furthermore, the results of this research assist policymakers and financial institutions in determining areas where tactics should be targeted to boost MSE performance effectively.

1.9 Limitations of the study

The researcher planned to explore elements impacting MSE performance in ArsiNegele town in an effective manner, but there were certain constraints in completing this study. There is a disparity between the registered and confirmedMSEs. Due to a variety of issues, some MSEs were forced to close. The MSE's office lacks up-to-date information, which impacts the study's sampling. To avoid this constraint, the researcher recognized the existing MSEs in talking with MSE offices and adjusted the sample scientifically.

Another issue that arose during the research was the operator's unwillingness to collaborate since they were concerned that releasing the information would negatively impact their business. The researcher persuaded MSE owners/managers by emphasizing that the study's objectives are academic in nature and will have no detrimental impact on their firm. It is critical to emphasize that these limitations had no major impact on the study's outcome.

CHAPTER TWO

LITERATURE REVIEWS

2.1 The Definition of Micro and Small Enterprise (MSEs)

Micro and small businesses are defined differently in different countries, depending on their economic growth stage and their current social conditions. The number of full-time employees, total asset and paid capital, and yearly turnover is used as criteria separately or in combination in the definition (Haily, 2007). According to the European Commission, the formal definition of micro and small businesses is based on the number of employees and one of two financial criteria, such as total turnover or total balance sheet. According to this definition, small businesses have fewer than 50 employees, whereas micro businesses have fewer than ten employees (EFILWC, 2001).

Similarly, the definition of a micro and small-scale enterprise varies from country to country in Africa. Kenya, for example, uses two criteria to define micro and small businesses: the number of employees and the company's yearly turnover. The definition considers both the investment in equipment and machinery and the registered capital for manufacturing companies. Accordingly, a micro-business is defined as one with less than ten employees and an annual turnover of less than Ksh 500,000. A small business is defined as one with less than 50 employees and an annual turnover of between ksh 500,000 and ksh 5 million (Khrystyna, Mirmulstein, &Ramalho, 2010).

According to Ethiopia's Federal Micro and Small Enterprises Agency, a microenterprise is one that employs five people, including the owner, and/or has a total asset worth of less than Birr 100,000 in the manufacturing sector and less than Birr 50,000 in the service sector. Small businesses are defined as those

with six to thirty employees or total assets of birr 100,000 to 1.5 million birrs in the industry sector and 50,000 to 500,000 in the services sector (GFDRE, 2011).

As a result, Ethiopia revised the MSE strategy;in 2011, the Micro and small enterprise definition was employed in this study. Accordingly, a micro-enterprise is a business that uses no more than five people, including the owner. And has a total asset of no more than Birr 100,000 (one hundred thousand) in the manufacturing, construction, and mining industries and a real investment of no more than Birr 50,000 (fifty thousand) in the service sector, which includes retail, transportation, hotel and tourism, ICT, and maintenance services. Similarly, a small enterprise is defined as employing 6 to 30 people. And has a paid-up capital of Birr 100,000 (one hundred thousand) and not more than Birr 1.5 million in the industry sector and total asset, or a paid-up capital of Birr 50,000 and not more than Birr 500,000 in the service sector.

2.5 MEASUREMENT OF MSE PERFORMANCE

Scholars do not all agree on how to define performance. The Global Entrepreneurship Monitor (GEM, 2004) described performance as performing, completing a task, or applying information rather than simply possessing it. On the other hand, the version appears to be defined, operationalized, and quantified in various ways, making cross-comparison problematic.

MSE performance indicators are often used to help an organization identify and evaluate its progress toward its long-term organizational goals (Gibbson 1990). As a result, quantifiable measurements that indicate an organization's essential success criteria must be agreed upon. Actual performance must be measured in the same terms as established standards to make comparisons more straightforward and relevant.

Efficiency, growth, and profit are measured using three metrics by Li, Zang, and Chan (2005). Business performance is a complex phenomenon with many variables challenging to quantify (Sanchez and Marin, 2005). According to several studies, quantitative and qualitative indicators have limits, and they are advised to be utilized interchangeably. Quantitative measurements, such as ROI, profit, and sales, are common.

Sanchez and Marin (2005) examined the performance of small and medium-sized businesses in terms of three factors: profitability, productivity, and market share. While Lee and Tsang (2001) use the growth venture to indicate performance effort, including sales growth, asset expansion, and profit growth.

The results of a study on micro and small businesses (MSEs) suggest that the performance of small companies is determined by the owner/personal manager's value (Zoysa dan Herath, 2007; Lee and Tsang, 2001; Street and Cameron, 2007; Nimalathasan, 2008). All of them stated that the owner/manager is a critical aspect of the business's success. When MSE owners/managers are more entrepreneurially thought about in the introductory and decline stages of growth, their performance tends to be higher. The same is true for the growth and maturity stages when they are more administratively thinking, according to Zoysa and Herath (2007).

Factors Affecting MSE Performance: An Empirical Study

According to a review of previous studies on micro and small businesses, both the internal (personal entrepreneurial traits) and external business environments impact MSE performance. As a result, the following are some examples of empirical studies:

Adegbite et al. (2006) used descriptive and inferential statistics to investigate the impact of entrepreneurial traits on the success of small-scale manufacturing firms in Nigeria. Ten Personal Entrepreneurial

Characteristics were studied (PECs). According to the study, the majority (7) of the respondents' 10 Personal Entrepreneurial Characteristics (PECs) harmed sales revenue, including persistence, commitment to work, opportunity seeking and initiative, risk-taking, goal setting, networking and persuasion, and independence and self-confidence. The demands of other PECs for efficiency and product quality, as well as data collection, methodical planning, and monitoring, had a positive impact.

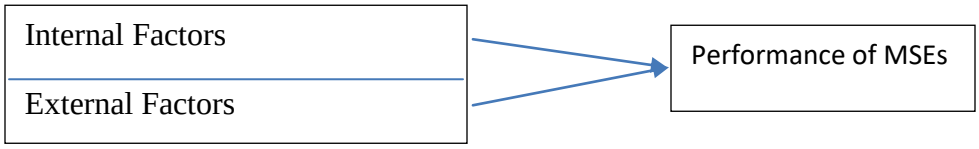
Many data about the socioeconomic and motivational elements influencing street entrepreneurship have been uncovered by Ajay (2008). Size of initial investment, the number of workers, family business, and good demand for products/services were determined to be the primary determinants of street entrepreneurial success among various socioeconomic and motivational factors.

In their working paper, Ejaz Ghani, William, and Stephen (2011) looked at the spatial drivers of entrepreneurship in India's manufacturing and service sectors. Quality of physical infrastructure and workforce education were the largest predictors of admission among general district characteristics, with labour regulations and household banking quality also playing key roles. They discovered considerable evidence of agglomeration economics among manufacturing industries at the district-industry level.

2.11. Conceptual framework of the study

Relationships between independent and dependent variables are depicted in the conceptual framework. Because both internal and external factors influence business success, operators must understand what affects businesses to achieve expected results. Political, legal, financial, marketing, work environment, technology, and infrastructure are external variables. Personal characteristics of entrepreneurs (10PCEs) such as opportunity seeking, perseverance, commitment to the job, demand for efficiency and quality, risk-taking, goal setting, systematic planning and monitoring, information seeking, persuasion and networking, and self-confidence were among the internal factors.

Fig 1. Conceptual framework of the study



Source: From the review of literature Analysis.

3. RESEARCH METHODOLOGY

3.6 Research design

Descriptiveresearch methods were employed in this study. The elements affecting the performance of MSEs in ArsiNagele town are described and evaluated in this study. Furthermore, the research was cross-sectional in that all relevant data was gathered at a single point in time. A cross-sectional study is preferred because of the study's large size and time constraints.

A list of MSEs formally registered by the ArsiNagele town Administration Micro and Small Enterprise Development office till June 2020 was utilized to determine the sample size for this study.

To determine sample for the study, the Yemen 1967 formula was used.

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

Where:
n = Sample size
N = Population size (the universe)
e = sampling error/is the level of precision

This study's regression equations were created around two sets of variables: the dependent variable (MSE performance) and the independent variables (factors affecting the performance of MSEs).

Therefore, the equation usedin this study was the regression equation: -

$$\mathrm{Yi} = \mathrm{b0} + \mathrm{b1X1} + \mathrm{b2X2} + \cdots \ldots \ldots \ldots \ldots \ldots + \mathrm{b16X16}$$

Where Y is the dependent variable: - performance of MSEs and X is independent Variablesas well as b0, b1, b2 … … … … … … … b16 are the coefficients associated with each independent variable.

4. Discussion, Conclusions, and recommendations

Age and Gender of the respondents

Age and Gender of Respondents						
Age				**Gender**		
		Frequency	Percent		Frequency	Percent
	Below 20 Years	9	6	Male	119	78
	21-30 Years	87	57	Female	34	22
	31-40 Years	57	37	Total	152	100.0
	Total	153	100.0			

(Source: own survey, 2021)

The majority of research participants 57% were between the ages of 21 and 30, indicating that they were in their prime productive and reproductive years, followed by those between the ages of 31 and 40 are 37%, and those under the age of 20 are 6%. The majority of MSE Owners/Managers are young, according to the findings. This indicates that the majority of respondents are between the ages of 21 and 30 and that they are active members of the workforce who are ready to act in situations where they will feel comfortable because they are adults with many responsibilities ahead of them. They are also the age group expected to copy and adapt to their surroundings.

As shown in the chart above, a substantial proportion of male respondents owned and managed enterprises in Arsi Negele, accounting for 119 (78%) of males and 34 (22%) of females.

Factors Affecting Performance of MSEs

The criteria for business activity were asked affirmatively on a Likert scale, with respondents indicating their level of agreement. The identified factors were predicted to boost the performance of micro and small businesses in their usual operations. On a scale of1 to 5, respondents were asked to indicate their level of agreement with the following factors: 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5=strongly agree. The following is a breakdown of their responses.

4.6 Internal Factors

For this study, the internal determinants affecting MSE performance were those under the control of MSEs. Entrepreneurial personal qualities such as opportunity searching, persistence, devotion to the task, demand for efficiency and quality, risk-taking, goal setting, systematic planning and monitoring, information seeking, persuasion and networking, and self-confidence were included in the study. The internal factor analyses are provided in detail below.

The findings found that for most MSEs in the research areawide ArsiNagele town, the most challenging aspect of doing business was identifying opportunities….

4.7 External Factors

For this study, the external factors affecting MSE performance were beyond MSE control. According to the report, political, legal, technological, infrastructure, marketing, work environment, and financial difficulties affect the effectiveness of MSEs. The following is a detailed examination of each factor.

The findings demonstrated that most MSEs in the research area did not regard the detailed political element situation to be a barrier to doing business.

The focus group discussion results (FGD) demonstrate that the government supports tiny and small businesses in a variety of ways. The respondents stated that government support for their companies needs to be improved.

5.1 CONCLUSIONS AND RECOMMENDATIONS

This study was carried out in ArsiNegeleto determine the elements that influence the success of micro and small businesses. The study tried to identify external factors that influence MSE performance, assess internal elements that influence MSE performance, and determine howexternal and internal factors influence MSE performance.

MSEs were chosen using a stratified sampling procedure. The Micro and Small Enterprise Development Office of the ArsiNegele town administration provided a list of all registered MSEs in ArsiNegele town as of June 2020. One hundred fifty-three respondents completed the questionnaire successfully. The information was gathered from both primary and secondary sources. The preliminary data was acquired via a standardized questionnaire and focus group discussion, both of which were self-administered with the help of two assistant MSE business coordinators.

The study quantitatively examined MSE performance in profit, capital, and personnel count. Due to the difficulty in obtaining documented yearly profit from MSEs, monthly profit data was acquired via questionnaire and then converted to annual yield. The capital was calculated using MSEs' starting capital and current capital information. Starting capital data from MSEs were cross-referenced with the ArsiNegele Micro

and Small Enterprise Development Office records. The number of personnel currently employed by each MSE was also acquired from MSEs.

According to the findings of the participants ' profiles, males are 76 percent more likely than females to participate in MSEs. The majority of participants are between 21 and 30, accounting for 57 percent of the total. Most MSE's educational qualifications were in TVET graduate, accounting for 43%. The majority of respondents have 1-3 years of experience, with 72 percent having 1-3 years of experience. The service sector accounted for 53 percent of MSE businesses in ArsiNegele, while the construction sector accounted for 21.10 percent. Based on the age of MSE owners/managers, it can be inferred that they belong to an age group that is expected to mimic and adapt to their surroundings to improve their business performance.

The overall independent variable, annual profit (R square = 0. 784), explained 78.4 percent of the variance in the dependent variable. Other variables were not investigated in this study.Account for the remaining 21.6% of the conflict. Similarly, the total independent variable (R square =0.694) was shown to explain 69.4% of the variance in the dependent variable as capital—other variables not considered in this study account for the remaining 30.6 % of the conflict. Furthermore, the total independent variable (R square =0.730) was shown to explain 73 percent of the variance in the dependent variable, which was the number of employees—other variables not investigated in this study account for the remaining 27% of the conflict. As a result, any increase in these factors can improve MSE performance (profit capital and number of employees).

According to the study's findings, the amount to which external and internal factors influence MSE performance varies from extremely great to very tiny. As a result, strengthening those aspects is critical for the success of micro and small businesses enterprises.

The Pearson test was used to establish correlations between MSE performance (annual profit, capital, and employee count) and the independent variables in this study. Political, legal, financial, marketing, working premises, infrastructural, opportunity seeking, persistence, devotion to the task, demand for efficiency and quality, goal setting, risk-taking, information seeking, and self-confidence all positively impact MSE profitability. It can be concluded that strengthening those variables improves MSE profit interim performance. Similarly, variables such as political, legal, financial, marketing, working premises, technological, opportunity seeking, persistence, commitment to the work, demand for efficiency and quality, risk-taking, information seeking, and self-confidence positively influence MSEs' capital performance. Theysignificantly impact MSEs' capital performance, and improving those variables improves MSEs' capital performance interims. Variables such as political, financial, marketing, working conditions, opportunity seeking, persistence, commitment to the work, demand for efficiency and quality, information seeking, and goal setting have significantly impacted MSE performance in terms of the number of employees. They have a significant impact on MSE performance regarding the number of employees. Strengthening those variables improves the performance of MSEs in terms of the number of employees employed in the interim.

5.2 Recommendations

The researcher suggests the following based on the study's findings, discussion, and conclusion: MSEs face a financial problem because the traditional banking industry does not always support them. As a result, ArsiNegele local government entities may be able to increase MFI loan capacity to support SMEs. ArsiNegele town Micro and Small Enterprise Offices should provide training for MSE owners/managers to improve cash management skills. For MSEs to solve their working capital challenges and improve their company performance, close coordination between financial service providers and the Micro and Small Enterprise Office is critical.

Before issuing the working space and licenses, the MSEs office might do a thorough investigation into the site to be given, the people to be organized, the talent of the individuals, and their ability to accomplish the planned business. When it comes to assigning working space to MSEs, the MSEs office could be transparent. At the same time, close supervision of MSEs might be implemented to determine whether the rightful owners are working in the palace or whether a third party is renting the space.

Marketing issues were regularly cited as a defining element for most of the problems encountered by the MSEs evaluated. As a result, it is critical to address this long-standing issue. To Provide selling and display areas near working areas, facilitating market linkage MSEs with other private contractors. Secure market opportunities for owners/managers and changing the general public's perception through extensive awareness creation mechanisms are some ways since private individuals are expected to be the primary buyers of MSEs' products and services.

Furthermore, improving the availability of critical infrastructure and creating a conducive climate for company activities is a must. As a result, the MSE offices may be able to assist in the establishment and growth of business development services.

Increased capacity and competence of operators through continual training, knowledge sharing from successful firms, and provision of counsel and consultation are critical to overcoming internal issues and making MSEs competitive and profitable. As a result, the MSEs office might establish a relationship with an entrepreneurship development centreto help MSE owners/managers cover entrepreneurial skill gaps.

Finally, policymakers and service provider institutions must review and adjust the extent, intensity, and quality of support and their interconnections to lessen the impact of external and internal factors on MSE performance.

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Appendix

Regression analysis of capital on the selected variables

Capital		Coefficients	T	Sig.
	Political factors	.191	3.841	.000
	Legal factors	.212	4.053	.000
	Financial Factors	.198	3.895	.000
	Marketing factors	.443	8.462	.000
	Work premise factors	.043	.836	.404
	Technological factors	.159	3.043	.003
	Infrastructure factors	.060	1.132	.260
	Opportunity seeking	.320	6.364	.000
	Persistence	.210	4.044	.000
	Commitment to the work	.055	1.064	.289
	Demand for efficiency and quality	.083	1.610	.110
	Risk-Taking	.188	3.742	.000
	Goal setting	.151	3.069	.003
	Systematic planning and monitoring	.179	3.600	.000
	Information seeking	.075	1.434	.154
	persuasion and networking	.140	2.820	.006
	Self-Confidence	.162	3.115	.002
	(Constant)		-12.803	.000

R	R Square	Adjusted R Square
.833[a]	.694	.656

(Source: own survey, 2020)

Regression analysis of the number of employees on the selected variables

Number of employees		Coefficients	T	Sig.
	Political factors	.134	2.873	.005
	Legal factors	.112	2.274	.025
	Financial Factors	.137	2.876	.005
	Marketing factors	.242	4.925	.000
	Work premise factors	.111	2.285	.024
	Technology factors	.088	1.788	.076
	Infrastructure factors	.039	.775	.439
	Opportunity seeking	.374	7.911	.000
	Persistence	.136	2.785	.006
	Commitment to the work	.158	3.241	.002
	Demand for efficiency and quality	.383	7.935	.000
	Risk-Taking	.128	2.718	.007
	Goal setting	.301	6.517	.000
	Systematic planning and monitoring	.229	4.884	.000
	Information seeking	.071	1.431	.155
	persuasion and networking	.124	2.645	.009
	Self-Confidence	.084	1.719	.088
	(Constant)		-11.279	.000

R	R Square	Adjusted R Square
.854[a]	.730	.696

(Source: own survey, 2020)

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	-1144541.21	89398.31		12.803	.000	1321355.513	967726.921
	Political factors	21082.527	5489.176	.191	3.841	.000	10225.895	31939.160
	Legal factors	27847.15	6869.917	.212	4.053	.000	14259.658	41434.655
	Financial Factors	22890.914	5877.529	.198	3.895	.000	11266.185	34515.642
	Marketing factors	67189.96	7939.959	.443	8.462	.000	51486.105	82893.815
	Work premise factors	4962.897	5934.207	.043	.836	.404	-6773.930	16699.725
	Technology factors	17472.42	5742.756	.159	3.043	.003	6114.251	28830.590
	Infrastructure factors	6738.494	5953.430	.060	1.132	.260	-5036.354	18513.34
	Opportunity seeking	49667.456	7804.061	.320	6.364	.000	34232.384	65102.52
	Persistence	27982.634	6918.883	.210	4.044	.000	14298.289	41666.97
	Commitment to the work	8157.908	7666.99	.055	1.064	.289	-7006.073	23321.88
	Demand for efficiency and quality	9979.282	6197.918	.083	1.610	.110	-2279.119	22237.68
	Risk Taking	26345.959	7040.535	.188	3.742	.000	12421.008	40270.91
	Goal setting	19427.84	6330.72	.151	3.069	.003	6906.769	31948.92
	Systematic planning and monitoring	54508.77	15142.14	.179	3.600	.000	24560.255	84457.29

	Information seeking	9274.571	6469.512	.075	1.434	.154	-3520.996	22070.13
	persuasion and networking	15430.95	5471.719	.140	2.820	.006	4608.844	26253.05
	Self-Confidence	35520.13	11404.04	.162	3.115	.002	12964.927	58075.351
a. Dependent Variable: capital								

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	-20.327	1.802		-11.279	.000	-23.892	-16.763
	Political factors	.318	.111	.134	2.873	.005	.099	.537
	Legal factors	.315	.138	.112	2.274	.025	.041	.589
	Financial Factors	.341	.118	.137	2.876	.005	.106	.575
	Marketing factors	.788	.160	.242	4.925	.000	.472	1.105
	Work premise factors	.273	.120	.111	2.285	.024	.037	.510
	Technology factors	.207	.116	.088	1.788	.076	-.022	.436
	Infrastructure factors	.093	.120	.039	.775	.439	-.144	.330
	Opportunity seeking	1.245	.157	.374	7.911	.000	.933	1.556
	Persistence	.388	.139	.136	2.785	.006	.113	.664

	Commitment to the work	.501	.155	.158	3.241	.002	.195	.807
	Demand for efficiency and quality	.991	.125	.383	7.935	.000	.744	1.239
	Risk Taking	.386	.142	.128	2.718	.007	.105	.667
	Goal setting	.832	.128	.301	6.517	.000	.579	1.084
	Systematic planning and monitoring	1.491	.305	.229	4.884	.000	.887	2.095
	Information seeking	.187	.130	.071	1.431	.155	-.071	.445
	persuasion and networking	.292	.110	.124	2.645	.009	.074	.510
	Self-Confidence	.395	.230	.084	1.719	.088	-.059	.850
Dependent variable: number of employees								