

Entrepreneurs' Characteristics as a Determinant of MSE Growth in Addis Ababa, Ethiopia

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Abstract

The study evaluated owner manager characteristics as a determinant of MSE growth. Utilizing a self administered questionnaire, data were collected from two sub-cities of Addis Ababa (Addis ketema an Arada sub-city) where large number of MSEs are located and 99 MSE owner/managers were proportionally selected. Analysis of variance was carried out and hypothesis tested to examine the variation in the growth of MSEs with respect to the variation in each of the independent variables. As two dependent variables were used to measure growth in this study, the result shows different statistical value for both of them. The ANOVA and t-test result indicates, there was a significant variation on the growth of MSEs in relation to the variations of gender, work experience and family back ground if growth is measured using asset growth. If growth is measured using employment growth, the difference in experience and family back ground brings difference in growth. But the study showed no significant difference between MSE growth with respect to the variation in the level of education of the owner/ managers whether growth is measured using asset and employment growth. The study found no evidence to support a common perception linking formal higher education with higher incidence of business success and growth.

Keywords: MSEs, small firms, micro enterprises, entrepreneurship, Ethiopia.

Introduction

Micro and small enterprise (MSE) sector is highly diversified sector and plays a predominant role in the economy of developing countries. The MSE enterprises are being considered as engines of economic growth worldwide. One of the most important roles of MSEs in this context includes poverty alleviation through job creation. The developed as well as developing countries are taking extreme benefits from MSEs and they are capable to accelerate the economy of any country (Jasra *et al.*, 2011). It plays considerable responsibility in providing further employment and conversion of economy.

Given the importance of MSE sectors to GDP and to national employment in most developing countries like us, it is important to consider what sorts of policies might be undertaken to foster expansion of this sector. In order to address this issue it is helpful to better understand the factors involved in the growth of MSEs. Some businesses grow more than the others. Again, some business grows while others perish within a short period of time. So this gives us the implication of the fact that there is something that those businesses have and others don't. Even if some of the researchers on the area see growth as a natural phenomenon in the evolution of the firm, most of the peoples on the area

see growth as a consequence of some embedded characteristics (Mervi and Jyrki, 2007; Qureshi *et al.*, 2012; Hansen and Hamilton 2011; Federico *et al.*, 2008; Serazul, 2012; Rahel, 2010; Brown *et al.*, 2004). But, all of those researchers will agree on the contribution of owner/manager to business growth. In MSE most of the time the owner of the business will become the manager of the business. The rationale to include the entrepreneurs' profile perspective is that MSEs, compared with large companies are characterized by a strong emotional connection between the owner and the firm (Micheal and Jeffrey, 2010). Thus, certain characteristics of the entrepreneur will strongly influence not only the type of firm that will be created but also the way it will be managed (Qureshi *et al.*, 2012). So, the attitudes and abilities of the business owner have an important impact on small firm growth and will be reflected in strategic choices and the ways in which he or she operates the business for future success (Papadaki and Chami, 2002). Within the broad category of owner-manager characteristics, it has been suggested that five elements (Age, Gender, Education, Previous work experience and family back ground) of the owner managers are likely to influence growth (Hansen and Hamilton, 2011). According to Lucas' theory, the variation in levels of business acumen is the major determinant of business growth which does mean that difference in education level and experience about the business under consideration will have a direct

impact in business decision and MSE growth. Alternatively, as proposed by Ishengoma and Kappel (2008), the major determinant of business growth is the differing taste for risk among individuals in which females are risk averse than males in making business decision.

There are dozen researches on the area in developed countries and only a little is known in developing countries like Ethiopia. Present descriptive evidence from several countries suggests that small-firm growth differs according to a number of proprietor characteristics (Rahel and Isaac, 2010; Hansen and Hamilton, 2011; Serazul, 2012; Qureshi *et al.*, 2012). The vast majority of those researchers conclude that owner/manager profile like education level, age, family back ground, gender and previous work experience will have much impact on MSE growth.

Concerning the age of owner/manager, the available theoretical discussion advocates for the younger owner/manager. The argument here rests on the fact that the younger owner/manager has the necessary motivation, energy and commitment to work and is more inclined to take risks (Doern, 2009; Jasra *et al.*, 2008). The logic is that the older owner/manager is likely to have reached his/her initial aspiration. It is also suggested in the literature that younger individuals may be more willing to assume risks and grow their business. Younger individual may have a higher need for additional

income. The burden of supporting a family and meeting mortgage payments generally declines with age. An older individual who continues to be the owner-manager of a small firm is more likely to have reached his/her initial aspirations. However, while younger individuals have more motivation to expand their business they also may have fewer financial resources and fewer networks. The limited empirical evidence suggests that the owner-manager's age tends to be negatively related to growth (McPherson *et al.*, 2010).

Another factor that may result in growth difference of MSE is gender of the owner/managers. The previous analysis suggested that male-headed MSEs are likely to expand more rapidly than ones operated by females (Qureshi *et al.*, 2012). The survey results indicated that female-headed MSEs generally grew at an average rate of only about 7% per year, while those headed by males grew at approximately 11% per year. One of the explanations for this difference was that enterprises owned by women are often concentrated in more slowly growing sectors. Again, the dual domestic and productive responsibilities of women, or possible differences in the business objectives of females and males add another burden on female. Females may also be more risk-averse than their male counterparts, reflecting their responsibilities for maintaining the

welfare and perhaps even the survival of the household. This may lead them to use any available funds for diversification into new activities rather than for an expansion of existing ones (Donald *et al.*, 1998; Brown *et al.*, 2004).

Again difference in education level of owner/manager is expected to bring growth difference of MSE. In the past it was generally believed that small business owners would be less likely to have pursued a formal education than those holding managerial positions in larger organizations, as individuals "followed in their father's footsteps. There is no question as to the fact that basic education enhances the overall quality of the owner/manager by providing him/her with basic numeric and literacy skills, thus increasing the chance of survival (Tiruneh, 2011; Jasra *et al.*, 2011). Some studies state that the fact that a manager has a higher education degree or even a postgraduate degree seems to stimulate the growth of the firm, thus having an impact on both survival and growth. Owner-managers' with a relatively higher level of education have a greater ability to efficiently allocate resources to more productive lines of business and to select profit maximizing inputs/combinations (Federico *et al.*, 2008). Loan providers use owner-managers' education levels as an indication of the latter's ability to utilize resources to generate profit and be able to meet their obligations. Thus, firms with relatively more

educated owners are likely to have more access to external finance. The converse argument is that owner/managers of MSEs who had degrees generally achieved lower rates of growth than those less well educated (Reid and Xu, 2009). The other factor is previous work experience of the owner-manager. Any development practitioner or businessperson can attest that MSE owner/managers acquire a substantial amount of skills and knowledge while operating their firms. Such work experience proves to be highly important for developing capabilities within MSEs, as entrepreneurs with more years of work experience typically have faster-growing MSE. Kenyan entrepreneurs with at least seven years of work experience expanded their firms more rapidly than those without such experience (Doern, 2009). While the benefits of on-the-job experience are frequently mentioned, the importance of prior work experience may be even more helpful, especially if that experience came within the same sector or in micro to small-sized enterprises. An empirically rigorous study of high-growth entrepreneurs provides telling insights about the importance of skills and business contacts gained during past employment (Tiruneh, 2011). Among Latin American and East Asian entrepreneurs, contacts were found to be a key benefit of work experience, helpful in identifying business opportunities, obtaining financing and other resources, and alleviating management challenges (Brown *et al.*, 2004). Other developing

regions, such as Africa, are characterized by a systematic lack of opportunities to gain relevant work experience. Serazul, (2012) found that MSE owner/managers with little experience at the start-up phase could have problems remaining solvent with an increase in expenditure in relation to their earnings. Nichter and Goldmark (2005) found no relationship between prior MSE experience and firm growth. They found reasonable evidence indicating a negative relationship between being unemployed before starting a business and subsequent business growth. Knowledge gained from industry experience provides the entrepreneur with certain key competencies and inside information needed to recognize and exploit opportunities.

Again family background of owner-manager is expected to bring difference in growth of MSE. According to Federico *et al.*, (2008) entrepreneurs born into business families are more likely to have positive attitudes toward risks, be prepared in part by the family's accumulated business experience and have links with the family's age-old ties and business networks. A family's business background is also a source of previous work experience, another influential personal life experience. This characteristic is probably more critical in developing countries like Ethiopia, given the relative strength and cohesiveness of the family unit in such countries. Therefore, family business history is expected to be related to higher levels

of entrepreneurial orientation. Approximately three-quarters of MSE owners have some family connection with business ownership, with men being much more likely to 'inherit' a business than women. Individuals who have business owning parents are much more likely to pursue their own business ventures than those who do not (Davidson *et al.*, 2002). There is indeed some empirical evidence to suggest that coming from an entrepreneurial family increases the likelihood of survival (Federico *et al.*, 2008) while Hansen and Hamilton (2011) found no relationship between entrepreneurial background and growth of a small venture.

In measuring growth, although theoretically alternative measurement tools such as growth rate of sales or profits could give more precise results, in practice they are not as credible as the employment and asset growth measure because of entrepreneurs' hesitation to report the true values of their sales and profits. Again, employment growth is relatively easy for respondents to remember and that is uncontaminated by price changes. Moreover, job creation may be an important social goal, and policies to support MSE's are frequently justified on their supposed employment effects. Therefore, this paper used both employment and asset growth to measure growth and evaluated owner manager characteristics as a determinant of MSE growth. The

study also tests the following hypotheses:

Hypothesis 1: There is significant relationship between the age of the owner/manager and the level of growth attained; consequently, firms run by younger owner/managers tend to have a higher growth probability than those run by their older counterparts.

Hypothesis 2: There is significant relationship between the gender of the owner/manager and firm growth; male-owned/managed firms exhibit higher growth than female-owned/managed firms.

Hypothesis 3: There is significant relationship between the educational qualification of the owner/manager and the level of growth attained; growth is higher in firms where the owner/manager has a college or university degree and above.

Hypothesis 4: There is significant relationship between the previous experience of the owner/manager and firm growth; growth is positively influenced by previous experience of the owner/managers, especially those who have prior MSE experience.

Hypothesis 5: Growth is higher for businesses whose owners during childhood had close family members are entrepreneurs.

Methodology

The study was carried out in Addis Ababa, the capital city of Ethiopia where a large number of MSEs are located. Two sub cities namely: Addis ketema and Arada. The sample size consisted of 99 MSE owner/managers proportional to the sub cities. Data collection was by utilizing a self administered questionnaire and analyzed by using descriptive statistics based mainly on frequency distribution and percentages. In addition, ANOVA test and t-test were used to check the relation between dependent and independent variables. Employment Growth is the difference between average employment at inception and current average employment; whereas total asset growth is the difference between the total asset at the current and total asset at the beginning plus unpaid amount of debt.

The study sample consisted of 99 MSEs in which result showed that large number of MSEs are owned by females. This is because of the fact that in Ethiopia, as the number of females in formal education is less in number, most of them are participating in the business. The numbers of females joining government offices are very much less due to their less participation in formal education and business is their best area of selection. That means women in developing countries like us have a strong tendency to enter the MSE sector, in part because of ease of entry and their limited access to alternate opportunities. Again females are good from marketing point of view than males as they have a natural ability to attract and negotiate customer. Therefore, it is perhaps not surprising to see more number of females in business area than males in Ethiopia.

Results

Table 1. Employment/Asset growth with respect to gender of the owner/ manager

Gender of owner/Manager		N	Mean	Std. Deviation	Std. Error Mean
Employment growth	Male	38	4.74	7.232	1.173
	Female	61	2.84	7.090	.908
Asset growth	Male	38	2.55E5	312419.567	50681.146
	Female	61	1.14E5	217739.999	27878.750

As the result indicates in the above t-test table result, 38 MSEs in this study are owned/ managed by male owners. In terms of growth performance, enterprises run by male individuals' shows an average asset growth of 2.55×10^5 and employment growth of 4.74 during their operation

time. The remaining 61, MSEs involved in this study are owned/ managed by female individuals. In terms of performance MSEs in this category shows on average asset growth of 1.14×10^5 and employment growth of 2.84 Concerning both, asset and employment growth, the mean

growth is larger for the male category. These suggest, therefore, that enterprises with a male owner/manager exhibit greater likelihood of having higher growth than enterprises whose owner/ manager is females. Possible explanations for these gender differences include such factors as the dual domestic and productive responsibilities of women, or possible differences in the business objectives of females

and males, or education difference between females and males in which most of the time in our country females do not go to school for cultural reason. Again, females may also be more risk-averse than their male counterparts, reflecting their responsibilities for maintaining the welfare and perhaps even the survival of the household.

Table 2. Employment/Asset growth with respect to the educational status of owner/manager

Educational Status of Owner managers		Asset growth	Employment growth
	Mean	263,950.00	5.00
No school	N	13	13
	Mean	180,471.05	1.58
Elementary	N	19	19
	Mean	116,745.71	3.24
High school	N	42	42
	Mean	195,676.16	4.88
College/ University	N	25	25
	Mean	168237.62	3.57
Total	N	99	99

The result of employment and asset growth with respect to education presented in Table 2 above shows that 13 enterprise owner/ managers in this study have no formal education which means that they had never been to school in their life time. Enterprises owned/managed by individuals with no education level had an average asset growth of 2.64×10^5 and employment growth of 5 in the whole life of the business till now. The other 19 enterprise owner/ managers of this study have an education status of elementary school which means that they have been in a formal education for some years with a maximum of grade 8. Enterprises owned/ managed

by peoples with this level of education had an asset growth of 1.80×10^5 and employment growth of 1.58 in their life time. While 42 enterprise owner/managers had education up to high school which means that their maximum level of education is grade 9 - 12. Enterprises owned/ managed by this group had a total asset growth of 1.17×10^5 and employment growth of 3.24 in the period of their operation. The remaining 25 MSEs are owned/ managed by individuals with college/ University education. Regarding performance of the enterprises in this category, it recorded an average asset growth of 1.96×10^5 and employment growth of 4.88 since establishment.

Over all, the result showed that education does not have such implication on asset and employment growth as expected. It is not surprising to have this type of outcome in Ethiopia in where most educated peoples are not involved in business. The more peoples are educated, the more they are far from business and consider it as an activity for jobless people whom most of the time are the uneducated part of the society. Although they are not educated they have passed their life in business and have more experience. So this knowledge of the area may make them develop more when compared with more educated parties. Again the education level attained by

the educated parties may not be related with the activity they are undertaking. Even if lacks of education have negative implication on business growth, the result of this study shows that mean asset and employment growth is higher for no schooling. Concerning the employment growth the possible reason that no schooling category has high growth is due to the fact that they are uneducated, they should have to work through others that they should hire many employees which are appropriate for the position and this may increase the number of employees at their organization.

Table 3. Employment/Asset growth with respect to Age of the owner/manager (n = 99)

Age		Asset growth	Employment growth
Less than 25 years	Mean	95,700.00	5.00
	N	10	10
25-35 years	Mean	271,305.07	4.54
	N	54	54
35-45 years	Mean	19,940.00	2.20
	N	25	25
Above 45 years	Mean	54,955.00	.30
	N	10	10

The third variable considered in this study as the success factor for growth of MSEs is the age of the owner/manager of the enterprises. To examine the variation in the growth of the enterprises in different age categories, the sample was grouped into four age groups as depicted in the table above. As the table shows, from the total (99) sample under consideration, 10 enterprises are possessed by owner/manager within the age bracket of less than or equal to 25. When we look at the growth of

those MSEs in this age category on average they show an asset growth of 95,700 and employment growth of 5 from the time of establishment to to-date. The other 54 MSEs in this study are owned by individuals with the age range of 25 to 35 years which roughly is indicative of the adult age group of the country. The growth performance of MSEs under this age category in terms of average asset growth is about 271,305 and employment growth was 4.54 from the year of establishment to date. The additional 25 MSEs selected

for this study are owned/ managed by individuals with the age range of 35-45. The average asset growth of this MSE group is 19,940 and employment growth is 2.2 during their operation years. The remaining 10 enterprises have owners/managers with age above 45 years. In terms of the asset growth of the enterprises possessed by individuals in this age category, on average they grow by 54,955 and in terms of employment growth they show 0.30 since establishment to date.

Over all the statistical result shows that large percentage of business growth is within the age range of 25-35 with the least within the age range of 35-45. This showed that the group with high business growth was that between 25-35 years. Concerning the employment level the growth is high for businesses owned/ managed by individuals less than 25 years age. This may be because they are new to business and should work through others until they understand the business environment.

The result of the owner/manager experience (total working years) variable is presented in table 4. The result showed that 20 owner/managers of MSEs in this study have less than 5 years work experience in any other field either being employed in other organizations or working in their own independent enterprises before the current one. In terms of growth, the 20 enterprises owned/ managed by individuals with less than 5 years work experience demonstrates an average asset growth of 17,817 and employment growth of -15 (Table 4). Moreover, 28 MSEs are owned/ managed by owners which have a prior management experience of between 5 to 10 years with an asset growth of 29,493 and employment growth of 1.29 during their operation. While an average asset growth of 249,726 and employment growth of 5.91 was posted by 34 enterprises owned/ managed by individuals with a work experience of between 10 to 15 years.

Table 4. Employment/Asset growth with respect to work experience of the owner/manager (n= 99)

Experience of the owner managers		Asset growth	Employment growth
Less than 5 years	Mean	17817.50	-.15
	N	20	20
5-10 years	Mean	29493.57	1.29
	N	28	28
11-15 years	Mean	249726.59	5.91
	N	34	34
Above 15 years	Mean	410744.12	7.00
	N	17	17

The remaining 17 MSEs considered in the study are owned/ managed by individuals who have a prior work

experience of more than 15 years, recording an asset growth of 410,744

and employment growth of 7 starting from the beginning to date.

This shows that the increase in the owner/manager experience will increase the average growth of those enterprises. This is because of the fact that owner managers having an experience before, knows different tactics of solving problems. Again the liability of newness does not affect experienced individuals. As they know what is happening in the area,

they may have special techniques in using an opportunity and decreasing a threat. The negative value of employment growth of those businesses within the age range of less than 5 years shows that, there is high probability that those businesses are unstable and go out of business at that stage. But small businesses passing this stage have high probability of growth. Inexperienced people have low growth rate when compared with experienced people.

Table 5. Employment/Asset growth with respect to family background of the owner/manager

Family ownership of business	N	Mean	Std. Deviation	Std. Error Mean
Employment growth	Yes	53	4.72	6.640
	No	46	2.24	7.590
Asset growth	Yes	53	2.58E5	302604.984
	No	46	6.53E4	166525.236

The fifth variable which deals with whether the owner/ manager have a family who participate in business before is here presented in table 5 above. The assumption is that being born to business families have relation to the performance of MSEs and determine their success in the business environment. When we look at the growth of MSEs in this category, it shows an average asset growth of 2.58×10^5 and employment growth of 4.72 during their life time for those with family background in business. On the other hand, from the same table, 46 sample enterprises in this study are owned/ managed by individuals whose families didn't participate in businesses. That is their families have been participating in another activity which is different from business. Looking to the performance of the enterprises in

terms of the asset growth, on average they show a 6.53×10^4 and in terms of employment it shows 2.24 during their operation. Generally from this statistical data, those enterprises owned/managed by individuals whose owners is from business family perform better in terms of growth compared to those possessed by individuals whose owners are from non business family. The possible reason is that, being coming from families that have exposure for business will decrease the liability of newness as he/she grows with families always talking about business. Again, those individuals may have learned to expect difficulties and be less disheartened in the face of unfavorable events.

Hypotheses testing and Discussion

The following t-test result was used to identify whether those variables are determinates or not. For each hypothesis, the table showed evident of the extent of variable effect on MSE growth.

On gender, the result shows that asset growth was significantly different with respect to gender ($t=2.638$, $df=97$, $p=0.010$) on MSE growth operated by owners. So, the hypothesis which states that significant difference exist was accepted (Table 6)

Table 6. MSE growth with respect to gender of the owner/manager

Gender of the owner/manager		t	Df	Sig. (2-tailed)	t-test for Equality of Means			
					Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						Lower	Upper	
Asset growth	Equal variances assumed	2.638	97	.010	140663.7	53316.168	34845.9	246481.5
Employment growth	Equal variances assumed	1.287	97	.201	1.901	1.477	-1.030	4.831

The study finding was in agreement with Qureshi *et al.*, (2008) who reported that gender differences had effect on MSE growth. With respect to employee growth, the analysis suggested that there was no statistical differences in employment growth between male-headed (4.74) and female headed (2.84) SMEs ($t=1.287$, $df=97$, $p=.201$). The survey results indicated that male and female-headed MSEs generally grew at

insignificant difference. With respect to the employment growth, the hypothesis was rejected.

On educational level, the result showed that asset growth ($F=1.97$, $df=3$, 95 , $p=0.315$) and employment growth ($F=0.968$, $df=3$, 95 , $p=0.411$) were not statistically different (Table 7).

Table 7. SME growth with respect to education level of the owner/manager

Education level of the owner/Manager		Sum of Squares	Df	Mean Square	F	Sig.
Employment growth	Between Groups	149.43	3	49.8	.968	.411
	Within Groups	4886.89	95	51.4		
	Total	5036.32	98			
Asset growth	Between Groups	2.52E11	3	8.4E10	1.197	.315
	Within Groups	6.66E12	95	7.02E10		
	Total	6.92E12	98			

The result suggests that there was a weak relationship between the owner/manager educational level on MSE asset and employment growth which also indicates that enrolment in formal schooling was a poor measure of skill creation, or that creating skills without opportunities to use them does not foster economic growth. This result was not in agreement with Tiruneh (2011) who reported that

having higher level of education resulted in high SME growth. The hypothesis on educational level was also rejected. Moreover, there is no statistical significant difference in employment growth of different MSEs owned/managed by peoples in different age level ($F=7.356$, $df=3$, 95 , $P=0.225$) (Table 8).

Table 8. ANOVA for SME growth with respect to the age of owner/ manager

Age of the owner/Manager		Sum of Squares	Df	Mean Square	F	Sig.
Employment growth	Between Groups	224.797	3	74.932	1.479	.225
	Within Groups	4811.526	95	50.648		
	Total	5036.323	98			
Asset growth	Between Groups	1.304E12	3	4.348E11	7.356	.000
	Within Groups	5.615E12	95	5.910E10		
	Total	6.919E12	98			

Holding other business and owner characteristics constant, being young, does not seem to affect employee growth performance. Hence, the hypothesis of this study which states, there is significant difference on the performance of enterprises in relation to the owner/ manager age will be rejected. That means age of the owner manager does not affect business growth. This result is again different from that of Doern (2009) and Jasra *et al.*, (2008) in which they concluded that difference in age of the owner will result in difference in business growth due to high motivation to grow on the side of the younger owner/manager. The asset growth result shows that there was a significant difference between asset growth and age of owner/ manager ($F=1.479$, $df=3$, 95 , $P=0.000$). This shows that having young owner/

manager do have a significant effect on asset growth. Those businesses whose the owner/ manager is young grow more than the others. Hence, the hypothesis regarding this was accepted. The age of the owner/ manager was found to be the determinants of growth if growth is measured by asset growth but not a determinant when growth is measured using employment. This is to mean that those businesses owned/ managed by young individual have a large asset growth but have no effect on employee growth.

The ANOVA as presented in table 9 indicates that the owner/manager experience had a direct relation to both asset and employment growth ($F=6.063$ and 14.930 , $df=3,95$, $P=0.001$ and 0.000).

Table 9. SME growth with respect to owner/ manager experience

Experience of the owner/Manager		Sum of Squares	Df	Mean Square	F	Sig.
Employment growth	Between Groups	809.324	3	269.775	6.063	.001
	Within Groups	4227.000	95	44.495		
	Total	5036.323	98			
Asset growth	Between Groups	2.217E12	3	7.390E11	14.930	.000
	Within Groups	4.702E12	95	4.950E10		
	Total	6.919 E12	98			

That means statistically there was significant relationship between the owner/manager experiences and business growth. Businesses owned/managed by experienced people will grow more than those businesses owned/ managed by less experienced individuals. This is consistent with the finding of Doern (2009) which observed that the younger individual is free of liability of newness to the environment that

makes them to succeed. As a result, the hypothesis is accepted.

The t- test below (Table 10) showed the relationship between business owner and family background influence. The result shows that businesses owned/managed by individuals from a family that owned a business from childhood has a positive effect and statistically significant for asset growth (t=3.832, df=97, P=.000).

Table 10. SME growth with respect to owner/ manager family back ground

Family background of the owner/manager		t-test for Equality of Means					95% Confidence Interval of the Difference	
		t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Asset growth	Equal variances assumed	3.832	97	.000	192212.69	50157.321	92664.299	291761.0
	Not assumed							
Employment growth	Equal variances assumed	1.733	97	.086	2.478	1.430	-.360	5.3
	Not assumed							

But the t- test for employee growth showed a non statistical significance. That means coming from families within business industry had no effect on employment growth. Coming from a business family was found to contribute to the successful and start-up of MSEs, but not necessarily to its

growth, specific skills necessary to managing growth have to be acquired. Based on the t-test result the hypothesis on family background is accepted if growth is measured using asset and rejected if growth is measured by employee growth.

Conclusion

The study concludes based on the result that no significant differences exist between MSE growth with respect to the variation in the level of education of the owner/managers whether the growth is measured using asset and employment growth. The study found no evidence to support a common perception linking formal higher education with higher incidence of business success and growth. The second dependent variable (employment) showed there was a significant variation in the growth of MSE with respect to experience and family back ground while there was no difference in growth between MSE in terms of difference in gender and age of owner / manager.

Based on the finding, as enterprises owned/ managed by individuals with high previous experience shows better growth; stakeholders of the sector should work on preparing training programs so that they can share experience with one another especially to those entering into the sector without previous business background. Again education level which is expected to have an effect on MSE growth doesn't affect growth in this study. This is because of the fact that the education system of the country is more of theory based than practical. So it is good if the education system of the country is practical oriented rather than a theory based and other subjects about business

should be given at lower grades that everybody who joins school can get it.

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