

**MANAGERIAL COMPETENCIES AND PERFORMANCE OF SMALL-SCALE
BUSINESSES IN SHEEMA MUNICIPALITY, SHEEMA DISTRICT, UGANDA**

BY

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**A RESEARCH DISSERTATION SUBMITTED TO THE DIRECTORATE OF
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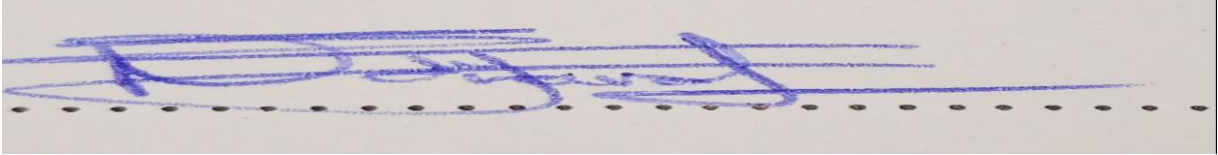
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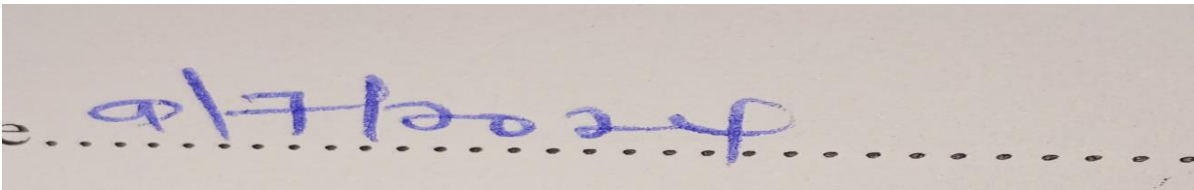
DECLARATION

I, NDYANABO CRINARD, declare that this work is mine and original and it has never been presented to any institution or university for any academic award.

Signed...

A handwritten signature in blue ink, appearing to be 'NDYANABO CRINARD', is written on a horizontal dotted line.

Date.....

A handwritten date in blue ink, '09/17/2024', is written on a horizontal dotted line.

NDYANABO CRINARD

20/BSU/MBA/1566

DEDICATION

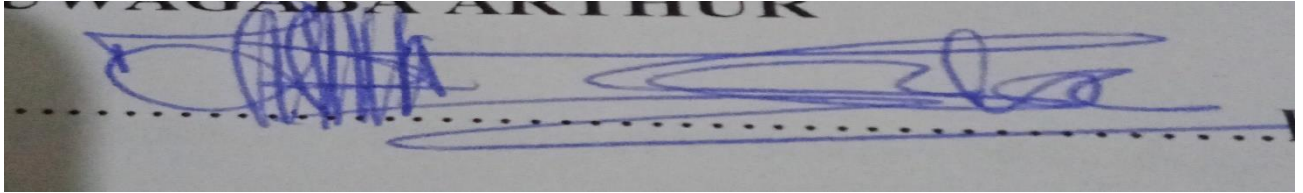
I dedicate this work to my mother, Kyokushaba Jovulet, my Grandmother- Katyabiri Costance and my children- Atwiine Austin and Atamba Ashley for always being there for me. May God richly reward you.

APPROVAL

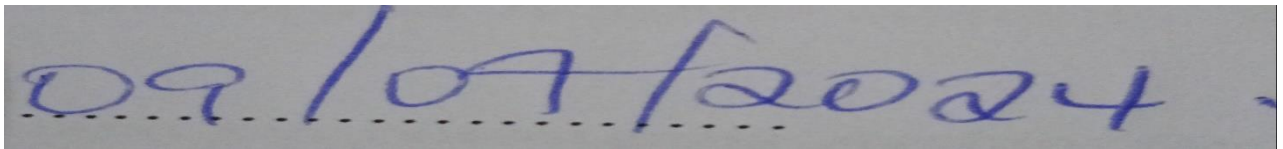
This research dissertation titled, “**Managerial Competencies and Performance of Small-scale businesses in Sheema Minicipality, Sheema district**” has been prepared under our supervision and guidance and it is now ready for submission with our approval.

DR. NUWAGABA ARTHUR

Signed...

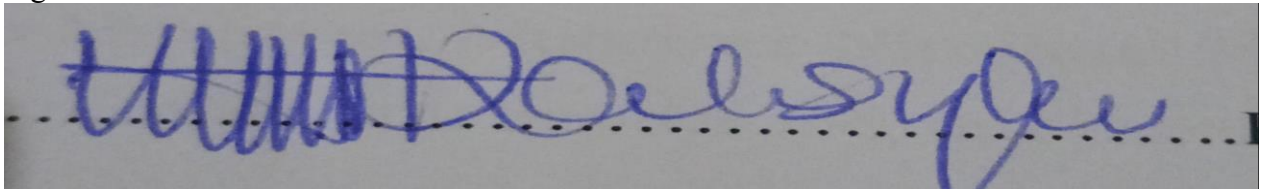


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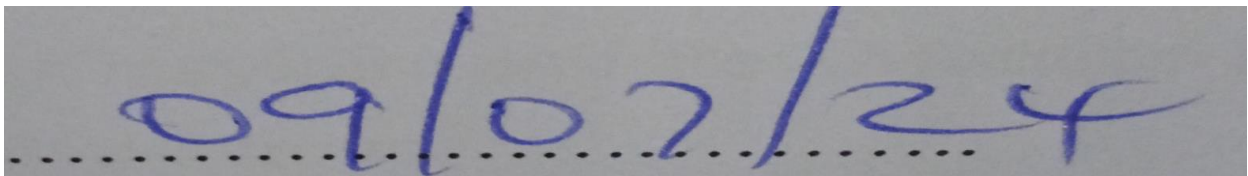


MR. AGUME ANTHONY

Signed...



Date...



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Most importantly, I thank the Almighty God who has stood by me all this while. His blessings and tender mercies bestowed upon me are precious and rare things I can never thank HIM enough for. With you, oh God, I have indeed come along way. THANK YOU SO MUCH.

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ABSTRACT

This study assessed the influence of managerial competencies on performance of small-scale businesses with special emphasis on the experiences in Sheema Municipality. A cross-sectional design with a quantitative method was used to conduct the study among small-scale businesses with special emphasis on the experiences in Sheema Municipality. The data was obtained from small-scale businesses business owners, managers and resource people. The study employed stratified random sampling in which 309 respondents selected to participate in the study. A self-administered questionnaire was used to obtain the data from small-scale businesses entities. The study results led to the rejection of first, second and third null hypotheses of this study and alternative hypotheses stating that operational managerial competencies of business owners and managers significantly influence the performance of small-scale businesses in Sheema Municipality, relational managerial competencies of business owners and managers significantly influence performance of small-scale businesses in Sheema Municipality, and strategic managerial competencies of business owners and managers significantly influence performance of small-scale businesses in Sheema Municipality were accepted. The findings also revealed that for each additional increase in overall rigour of operational managerial competencies of business owners and managers, performance of small-scale businesses in Sheema Municipality was likely to get an average increase of 2.149 units in performance of small-scale businesses ($\beta = 2.149, p = 0.000$); each additional increase in overall rigour of relational managerial competencies of business owners, performance of small-scale businesses in Sheema Municipality was likely to get an average increase of 2.423 units and 1.513 units in performance of small-scale businesses ($\beta = 1.513, p = 0.000, \beta = 2.423, p = 0.000$); and each additional increase in overall rigour of strategic managerial competencies of business owners, performance of small-scale businesses in Sheema Municipality was likely to get an average increase of 1.519 units, 2.054 units, 1.222 units and decrease by 1.819 units in performance of small-scale businesses ($\beta = 1.519, p = 0.003, \beta = 2.054, p = 0.000, \beta = 1.222, p = 0.0020, \beta = -1.819, p = 0.000$). It was concluded that business small-scale business attach importance to operational, and Strategic managerial competencies.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

In most countries, small-scale businesses play a key role in driving economic growth and job creation (Diabate et al., 2019). However, Adcorp (2014) observes that the mortality rate of small-scale businesses among African countries remains very high with five out of seven new businesses failing in their first year. The failure rate of small-scale businesses in Uganda is high and 70% of start-ups do not celebrate third year anniversary (Andrew, 2020). The Chapter will focus on background to the study, problem statement, purpose of the study, study objectives, research questions, study significance, study justification, scope of the study and operational definitions.

1.1 Background

Small-scale businesses are businesses locally owned and managed, often with very few employees working at a single location (Stoner, Freeman & Gilbert, 1995). Small-scale businesses are crucial in the development of the economies, especially of LDCs (Diabate et al., 2019). They contribute immensely to society development on many fronts, including job creation, tax revenues, functional products and services, charitable donations, technological developments, and social contributions to communities (Ralph et al., 2019).

In Africa, small-scale businesses are notably the engines that drive economic development for the continent (Ombongi & Wei, 2018). They account for almost 90% of businesses in both leading and developing economies through job creations, employment, tax provision and contribution to Gross Domestic Product (GDP).

Despite this high growth potential, Okpara (2011) found that, the performance of smalls in Africa is far below the world average as compared to the developed countries. The study indicated that issues such as lack of finance, poor management, corruption, lack of infrastructure, and poor accounting are major obstacles to small business performance. Similarly, Fatima, Mohammed and Almubarak (2016) point out that lack of access to financial resources, difficulties in finding qualified labour, work-home conflict and low profit.

With regard to the Ugandan context, Rwakakamba *et al.* (2014) argue that entrepreneurs in the country start businesses to just exploit what initially looks like a potentially profitable business opportunity only to realise later that they do not have what it takes to succeed in that business endeavour.

This entrepreneurial deficiency is due to limited ability in sufficient preparation and self-matching with businesses that people engage in when it is a key entrepreneurial competency for start-up. However, some entrepreneurs have performed well and succeeded with their SMEs in similar circumstances. Thus, although it is possible to raise questions about the quick failure of SMEs in Uganda, the bigger question is on the entrepreneurial competency of SME operators and the capabilities of their firms in fostering competitive performance. As such, this paper investigates the relationship between entrepreneurial competencies, firm capabilities and SME performance from a developing country perspective

IGI-Global (n.d.) relates small-scale business to a privately owned enterprise with limited start-up capital, a small number of employees, low revenue, and profit margin compared to regular scale business. Uganda Ministry of Trade, Industry and Cooperatives (2015) associated small-scale businesses with firms that have less than or equal to 25 permanent members and with fixed assets (excluding land) worth up to US\$ 50,000.

In Uganda, small-scale businesses collectively constitute about 90% of private sector production and employ over 2.5 million people (Nathan Associates & TNS, 2015). However, the mortality rate of small-scale businesses among African countries remains very high with five out of seven new businesses failing in their first year (Adcorp, 2014). The failure rate of

small-scale businesses in Uganda is all the more high among start-ups (Nangoli et al., 2013). At least 70% of all small businesses that start in Uganda fail in the next 3 to 5 years (Andrew, 2020).

The term “competency” has multiple meanings (Garavan & McGuire, 2001; Viitala, 2005; Wickramasinghe & Zoyza, 2008). It is associated with potentiality, trait, value, abilities, knowledge, skills, preference, opinion, and aptitude. Managerial competencies have been defined as a set of motivations, personal, traits, abilities, knowledge and values necessary to improve management performance and is a branch of a larger group of individual competencies

Various studies have examined the relationship between managerial competencies and small-scale businesses performance and reveal a strong positive relationship between them through competencies of owners and managers (Rambe, & Makhalemele, 2015); Sidek & Mohamad, 2014). Bushe (2019) associated Africa’s small-scale business poor performance with entrepreneur incapacity, environmental inauspiciousness and enterprise incompetence. Justino (2015) analysed factors influencing performance of small enterprises in Angola and found that small business owners and managers lacked knowledge of business systems, financial accounting skills, planning and controlling business resources skills and diligence. Performance plays vital in small-scale businesses’ sustainability. It is a complete evaluation of a company’s overall standing in categories such as assets, liabilities, equity, expenses, revenue, and overall profitability (Corporate Finance Institute, 2015).

Performance measures a firm's overall financial health over a given period. It also measures how well a firm can use assets from its primary mode of business and generate revenues (Kenton & Scott, 2021). Performance measures are the most commonly used measures of productivity, efficiency and effectiveness in companies (Matsoso & Benedict, 2016). According to Matsoso and Benedict, health financial performance parameters are regarded as the traditional measures that depict sustainability of a firm. Performance measures growth and variability in profit, market value, assets, equity, cash flow, sales and market/book value (Capon et al., 1990).

Literature is awash with evidence on the impact of managerial competencies on firm performance (Mashavira et al., 2021). Competence is an underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job or situation” (Spencer & Spencer, 1993:9). Competency is the ability to transmute knowledge into action effectively (Aslan, 2016). Researchers have emphasized managerial

competency such as: communication, team-working, pro-activeness, vision, self-management, result-orientation, strategic-orientation, ambition, persistence, decision making, risk taking, and creativity (Bhardwaj and Punia). Lopa & Bose (2014) reveal that all the competencies are required by entrepreneurs to enhance the performance of their firms-among them, managerial competence in light of opportunity, organising, relationship, and strategic competencies.

Competencies are different for the manager at the operational, tactical or strategic level (Manxhari et al., 2017). Scholars say that is necessary to shape managerial competence in varying degree and quality. A successful organization is one where human resources have the required competencies to achieve business success and the strategic objectives of the organization. According to GGG (2010), relational Managerial competencies involve cultural sensitivity, relational competence, customer trust and workers' relational effectiveness in a Multinational offshore service provider. Strategic management competencies set a strategy that combines departmental strategy, the corporate vision and wider strategic imperatives (Taf, 2009).

There are a number of theories that explain performance of small-scale businesses. This study was anchored onto goal-setting theory (Locke and Latham, 1989); and resource-based view theory of the firm (Penrose, 1959; Wernerfelt, 1984; Barney, 1991). Locke found that individuals who set specific, difficult goals performed better than those who set general, easy goals. Latham (2003) pointed out that individuals who set specific, challenging, but attainable goals have better performance than those who set vague goals or do not set goals. Individuals are encouraged to possess ability and have commitment to the goal to have better performance. Locke proposed five basic principles of goal-setting: clarity, challenge, commitment, feedback, and task complexity.

In Africa, Mashavira et al. (2021) point out that literature is awash with managerial competencies in entrepreneurial ventures and document the pivotal role played by managerial competencies in the performance of small and medium-sized enterprises (SMEs). Ncube & Chimucheka (2019) established the effect of managerial competences on the performance of small-scale businesses as being pivotal in the survival, growth and development of small-scale enterprises. Rambe and Makhalemele (2015) found that an assortment of managerial competencies, including human capital requirements, resources and individual capabilities).

There are several features that characterize small-scale business. In Uganda, Ministry of Finance, Planning and Economic Development (MFPED) defines a 'Micro Enterprise' as an

enterprise employing up to four people, with an annual turnover of at most 12 million Uganda shillings. A ‘Small Enterprise’ as an enterprise employing between 5 and 50 people, with an annual sales/revenue turnover or total asset of up to Uganda Shillings (USH.) 360 million, and a ‘Medium Enterprise’ as an enterprise that employs more than 50 people with an annual sales turnover or assets of between (USH.) 360 million and 30 billion.

The economy of Sheema District is hugely agricultural, comprising on- and off-farming income-generating activities, including crop farming, livestock farming and forestry, which are dependent on land and few processing industries, such maize and coffee mills. The huge majority of the business enterprises in Sheema are small scale businesses.

“*Sheema neyagayaga*” is the slogan of Sheema District’s natives. The slogan’s literal meaning is Sheema glitters. Its relief is made of undulating fertile hills with valleys’ swamps being water catchments. Sheema has traditionally supplied Kampala City with largest proportion of bananas and milk. The place also contributes a good proportion of Uganda’s coffee which is the county’s largest foreign exchange cash crop earner. The District was curved out of former Bushenyi District, which used to be called the model district. Sheema was the most prosperous county of former Bushenyi District. The place has fairly high developed commercial farming with little subsistence farming, which is characteristic of other parts of Uganda. Sheema District boasts of one of the highest literacy levels in the Country.

On that background, high small-scale business failure in Sheema Municipality is then unexplained. It is not uncommon to see a small-scale business operating in certain place in the Sheema Municipality for some time, and before long, you do not find it yet, less likely that it has relocated to another place: rather, the business has failed. This study hypothesizes that the low performance of small-scale businesses in Kabwohe Town, Sheema Municipality is caused by wanting managerial competencies.

1.2 Problem Statement

In Uganda, small-scale businesses collectively constitute about 90% of private sector production and employ over 2.5 million people (Nathan Associates & TNS, 2015). They contribute immensely to society development on many fronts, including job creation, tax revenues, functional products and services, charitable donations, technological developments, and social contributions to communities. That said, the failure rate of small-scale businesses in Uganda is abnormally high as new start-ups collapse shortly after they assume operations (Nangoli et al., 2013). At least 70% of all small businesses that start in Uganda fail in the next

3 to 5 years (Andrew, 2020) and small-scale businesses in Sheema Municipality not being an exception. According to the Sheema Municipality Commercial records (2022), in 2019, 2020, and 2021, the Municipality had a total of 2158, 2381 and 2659 small-scale businesses respectively. This represented an increase of 223 and 278 businesses in 2020 and 2021 respectively. However, the Commercial Office records indicate that during the same period (2020 and 2021), 335 and 346 small-scale businesses ran out of business and closed. Abdissa & Fitwi (2016) revealed that performance of small-scale business is highly correlated with managerial competence. This speaks volumes about the need to be equipped with managerial skills and have competence to ensure high firms' performance. Management competencies ensure optimal utilization of resources which enables small-scale businesses to survive in changing environment and attain competitive advantage over rival enterprises (Freifeld, 2016). The existing research is inadequate regarding pinpointing the contribution of management competencies of owners and managers to the performance of small-scale enterprises since it is through competencies that all other factors of production (resources) are assembled and organized towards achieving performance goals. Scanty studies have examined the relationship between managerial competencies and financial performance small-scale businesses. All the more, there is still insufficient empirical proof of such relations in small and medium ventures operating in Uganda. This study hypothesizes that the low performance of small-scale businesses in Sheema Municipality is caused by wanting owners and managers managerial competencies.

1.3. Purpose of the study

The purpose of the study is assessing the influence of managerial competencies on performance of small-scale businesses with special emphasis on the experiences in Sheema Municipality.

1.4 The study objectives

- i. To assess the influence of operational managerial competencies of business owners and managers on performance of small-scale businesses in Sheema Municipality.
- ii. To assess the influence of relational managerial competencies of business owners and managers on performance of small-scale businesses in Sheema Municipality.
- iii. To assess the influence of strategic managerial competencies of business owners and managers on performance of small-scale businesses in Sheema Municipality.

1.5 The study hypotheses

1. **H₀:** Operational managerial competencies of business owners and managers significantly influence performance of small-scale businesses in Sheema Municipality.
2. **H₀:** Relational managerial competencies of business owners and managers significantly influence performance of small-scale businesses in Sheema Municipality.
3. **H₀:** Strategic managerial competencies of business owners and managers significantly influence performance of small-scale businesses in Sheema Municipality.

1.6 Conceptual Framework

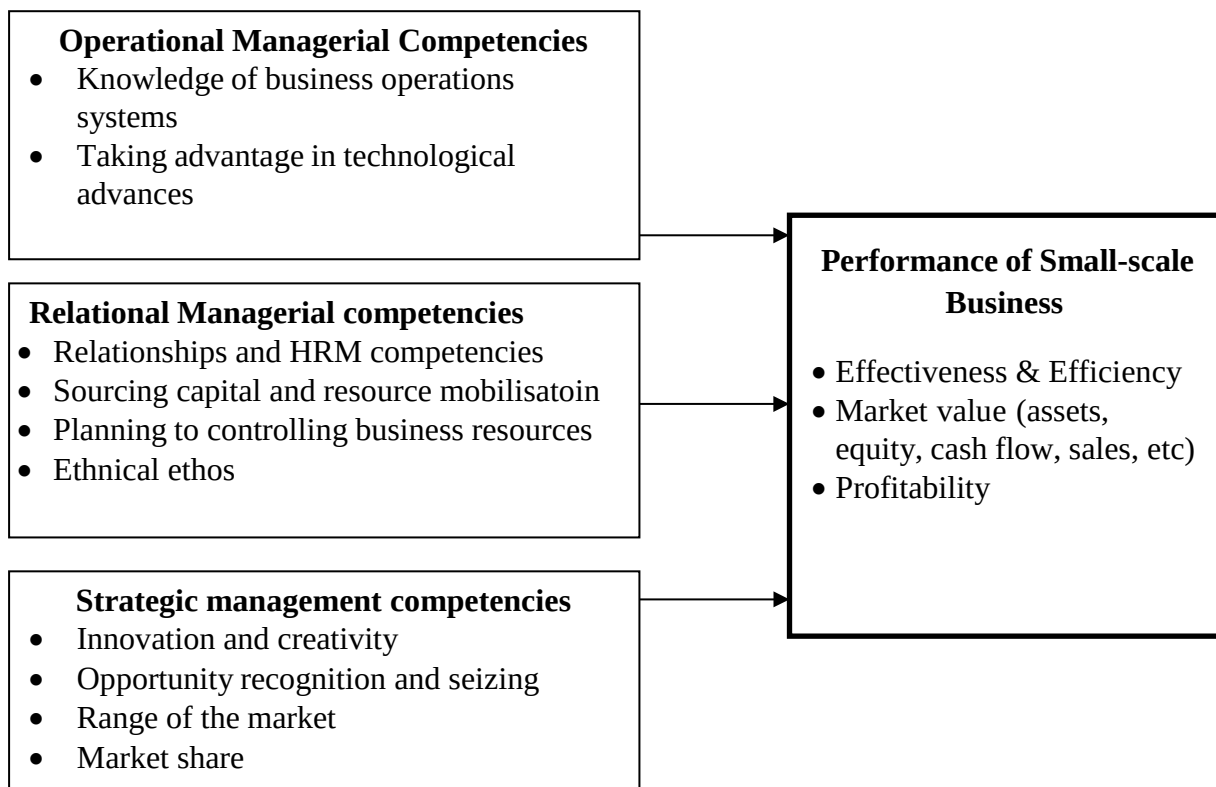


Figure 1: Conceptual framework - Source: Adapted from Manxhari et al. (2017) and Modified by the Researcher.

1.7 The Study significance

The study has significance to knowledge, managerial application and policy making. For the case of knowledge contribution, the findings of this study are the building stones for other research to be conducted in this fertile area of small-scale business management.

The findings will be of great benefit to: small-scale businesses' grounding, growth and sustainability; informing small and medium enterprises sector; policy makers – make decision informed by research; and academia – adding to the bulky of existing knowledge on the influence of managerial competencies on performance of small-scale businesses.

1.8 The study justification

Existing literature on managerial competencies and performance of small-scale businesses reveals that the failure rate of small-scale businesses in Uganda is abnormally high—new small-scale business collapse shortly after they assume operations. Small-scale businesses collectively constituting about 90% of private sector production and employ over 2.5 million

people. Given the important role played by small-scale business and their rate of failure, it begs for solutions to be found as early as yesterday. Managerial competencies are the business functional skills that have been playing an increasingly important role in the development of successful small and medium business firms. Therefore, understanding, predicting, and explaining the high rate of small-scale businesses' failure in Uganda is pivotal and the influence of managerial competence on performance for small-scale businesses in Uganda is a good start point.

1.9 Scope of the study

1.9.1 Geographical scope

This study was carried out in Sheema Municipality. Sheema District was carved out of the former Bushenyi District in 2010. It is located in South-Western Uganda. The Municipality is Sheema District's concentration of commercial life.

1.9.2 Conceptual scope

This study focused on socio-economical constructs, and these were managerial competencies of small-scale business resource people and performance of the businesses. It assessed the influence of managerial competencies on performance of small-scale businesses.

1.9.3 Content scope

The content of this study focused on assessing the influence of managerial competencies on performance of small-scale businesses in Sheema Municipality. It assessed the influence of managerial competencies on performance of small-scale businesses. It appreciates the pivotal role of managerial competencies on performance of small-scale businesses.

1.9.4 Time scope

The study was conducted in a period of 16 months from May 2022 to August 2023. This is because the study dwelt on primary data collected from the respondents in the field.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents an overview of theoretical review and relevant empirical literature consideration for the study.

2.1 Theoretical framework

There are a number of theories that underpin performance of small-scale businesses. This study has been anchored on two theories; Goal-setting theory (Locke and Latham, 1989)

Goal-setting theory explains the benefit of setting goals, which is a critical managerial competency on subsequent performance. Locke found that individuals who set specific, difficult goals performed better than those who set general, easy goals. Latham (2003) pointed out that individuals who set specific, challenging, but attainable goals have better performance than those who set vague goals or do not set goals. Individuals are encouraged to possess ability and have commitment to the goal to have better performance. Locke proposed five basic principles of goal-setting: clarity, challenge, commitment, feedback, and task complexity.

Goal setting practice for business success is crucial. According to Snow (2019), the best goals happen because there is a plan. Goal setting is the process of deciding what you want to accomplish and devising a plan to achieve those desired results (Ward, 2019). For entrepreneurs, goal setting is an important part of business planning.

For effective goal setting, business owners and managers need to do more than just decide what they want to do - they also have to work at accomplishing whatever goal they have set. For many entrepreneurs, they know what they want to do and they're perfectly willing to work on it, but they have trouble creating a plan to get there (Ward, 2019). Business owners are reminded that the same goal-setting formula and strategies that work for business goals will also work for personal goals. The bonus is that applying the strategies used to set business goals will give one greater success in achieving personal goals. Business goals are typically set on an annual basis and should be aligned with your long-term goals. The goals need to be worked into an entrepreneur's business plan and, when appropriate, specific areas like sales forecasts.

Locke (1990) pointed out that there are some significant factors that can impact an individual's performance, including: core goal properties like specificity and challenge; moderators like ability, feedback and goal commitment; and mediators like choice and effort. Throughout the year, business owners and managers might have weekly, monthly, or quarterly sessions where they review their business progress towards the annual goal.

One of goal setting theory's down sides is that goals which are too far above an employee's skills and competencies can have a negative effect on the employee's performance and motivation to complete the goal. Resource based view theory of the firm bridges the gap.

The central argument in the resource-based view (RBV) is that despite a firm having well-defined goals to accomplish, how the mission will be fulfilled is often limited by resource availability (Rangan 2004). The RBV focuses on the sourcing, utilization and deployment of resources, leading to the development of resource-driven competencies and eventual competitive advantage (Prior and Glaser 2003). Resources in a firm can be either internal or external to the firm and may be acquired or already owned by the firm (Arbab Kash et al. 2014). The process through which a firm coordinate and deploys these resources will eventually affect its performance.

2.3 Operational managerial competencies of business owners and managers and performance of small-scale businesses

Competency is a skill set of knowledge and abilities acquired by individuals to enhance their ability to perform (Boyatzis, 1982; Woodruffe, 1993). Managerial competencies include skills sets aligned to the management role such as analyzing, problem solving, and decision-making (Khoshouei, Oreyzi, & Noori, 2013; Szczepańska-Woszczyna & DackoPikiewicz, 2014).

De Meyer and Kim (1996) observes that an increasing number of executives and scholars are finding that strategic "planning" is indeed the easy but perhaps less relevant part of a strategic exercise, but that its implementation is much harder. The scholars note further that coincidentally, initiatives which find their roots in operations management, for example Total Quality Management, Time-Based Competition, Empowerment, and Business Process Reengineering, are considered as the potential sources of future robust performance.

Zatta et al. (2019) investigated operational competencies development from the interaction of shared relational resources in the supply chain and to verify how these competencies allow the resources to be able to function, unity, integration and direction. They found out that

information, knowledge and learning are significant constructs to influence the development of operational skills in the supply chain because they represent the ability of the company to promote skills to efficiently use resources and create a barrier to imitation. Evidence of the development of operational competencies is reinforced by the relevance of information and knowledge constructs for orientation and adaptation in an environment of change and high competition through the use of collective skills to solve problems in the relationships between members. The exchange of information and knowledge is especially notable for its presence in the various relational mechanisms that radiate through the interrelated organizations.

Smiljanić (2020) deliberated on the skills one needs to succeed in operations management. They include decision-making - arranging all one's skills and business according to what needs to be finished throughout the day, keeping on track with one's workload and ensuring good grasp of what one is doing from beginning to end. The duties may include developing procedures and living them, creating budgets, and supporting all functions, which is why planning is a key component of operations management.

Another skill observed by Smiljanić (2020) as being crucial in operational managerial competency was delegation. Operations managers cannot complete everything by themselves, so they need to master the art of delegation. When working on a project or task, one will need to work with team spirit and decide who is fit for which role. Diligent team work brings numerous benefits, allowing one to focus on higher-level tasks while other members complete their tasks, as well as developing trust between workers. An operations manager will learn the strengths and weaknesses of their workforce, which can help he/her to act accordingly and ensure each member of the team is happy and confident in their role.

Another skill according to Smiljanić (2020) is excellent Communication. Whether operation managers engaging with their team or clients, they must know how to communicate effectively. There are many types of people that one will come into contact with on a day-to-day basis, so knowing how to get one's message across to others and establishing a strong rapport with each audience can help operation managers perform their job more efficiently and productively. When working on a project or task, things can spiral out of control if communication lines break down, so it's operation managers' job to use an array of communication vehicles like written, verbal, and body language to keep things moving in the right direction.

Another skill in the managerial competency skill set is knowledge. While knowledge isn't technically categorized as an operations management skill, it's a crucial part of success.

Operation managers need to learn the daily processes of the company, and any other aspects which can help them communicate effectively and delegate. While operation managers don't have to understand every detail, they must have the basic knowledge to ensure the business is managed well. Education plays a key part in succeeding in operations management. Operation managers can click must have array of resource including internet searching skills to find out more about operations management.

Time management is another managerial competency skill for operations managers to thrive in their position (Smiljanić, 2020). There will be various schedules to adhere to that one must observe, such as reporting to one's team of supervisors or managers with realistic time frames. The last thing one wants is to miss deadlines, as one may lose customers which can be severely damaging to the future of the business. Operation managers who possess time management skills can deliver working on time, provide a better quality of work, and tend to procrastinate less.

Leadership is another managerial competency skill required by operation managers working with different teams of people who have a variety of specialist knowledge and technical skills, one must know how to lead a group of individuals to success (Smiljanić, 2020). Operation managers need to be experts at motivating their team and being on hand to provide support and guidance throughout the business and task. If the quality of work is deteriorating, it's Operation managers' job to hold regular meetings to check in on one's team and iron out any problems that may hinder the business.

Smiljanić (2020) also pointed out active listening skill. Operation managers who are active listeners can build better connections, identify, and solve problems, as well as help in avoiding missing any critical information that could hinder how the outcome of the business. Operation managers must take everyone's thoughts and opinions on board and see the situation from varied points of view. Another managerial competency skill needed by operations managers is problem solving. There will be several challenges and obstacles that operation managers will come up against as such they must know how to problem solve and see the situation through to the end. A reputable operation manager will be able to identify things that could be improved or changed, as well as diagnose the current situation and establish the forces and factors that influence it. There is always room for growth and improvement in operations management, so overcoming hurdles, and using the correct techniques is key.

Another managerial competency pointed out by Smiljanić (2020) teamwork. When working on a project or task, operation managers may need to come together with a team spirit to get the job done. Operation managers should never underestimate the value of teamwork, especially when it comes to driving the business forward, so being able to work with others will share the workload, ease burnout, and help you develop new skills that can propel your career forward. If each member of the team works in sync, it will keep everyone on track and ensure deadlines are met according to plan.

Last but not least, Smiljanić (2020) included stress tolerance in the managerial competency skills. There would be tense environments that one will find him/herself in as an operations manager, so knowing how to work well under pressure and keep one's cool is critical for success. When things get tough, there are several things operation managers can do to reduce stress levels, such as practicing relaxation techniques.

To flourish in operations management, all the skills listed above are what will keep a business steadfastly moving – getting established, growing and getting established. Whether it is knowing how to lead a team, or work well under pressure and the like, there are lots of managerial competencies that can help operation managers manage a business to success at ensures good and high performance.

Eze et al. (2018) investigated business managers' ratings of operational management strategies for success of small and medium enterprises in Enugu State, Nigeria. They found that operational management strategies were highly relevant to the success of SMEs in Enugu State. Inefficient operations management practices have proved to be the main cause of failure in the administration of any business empire (Egbebu, 2022). Operations managers are held in the apex of leadership in companies and by standards, the outcomes of their management are expected to lead to the growth and success of the company. Egbebu's study found that operational controls, financial prudence, are the specific operations management skills that are responsible for the growth and the success of the company. Hence, operations management is fundamental to the growth and success of a business.

Kibuuka, M. (2015) did an exploration of a multi-sector coverage of small-scale enterprises in Kampala, Uganda. The study showed moderate extent of managerial skills in terms of conceptual, human and technical skills; less successful internally and more successful externally; the extent of managerial skills and success differed significantly according to gender, education level, business form and years in business; the extent of managerial skills

possessed was positively and significantly correlated with all aspects of internal and external success; conceptual and technical skills significantly depicted small-scale entrepreneurs' success. Thus, technical and conceptual skills needed to be more promoted through entrepreneurial and business skills in universities; education of small-scale entrepreneurs on formation of joint ventures and ongoing training programs for skills formation and development.

Concluding, reviewed literature shows that operational managerial competencies are crucial for performance of small-scale businesses in Uganda as elsewhere in the world. However, as De Meyer and Kim (1996) observes that that strategic "planning" is easy, but that its implementation is much harder, hypothetically this explains low performance of small-scale business in Uganda in general and Sheema Municipality in particular.

2.4 Relational managerial competencies of business owners and managers and performance of small-scale businesses

Aslan and Pamukcu (2017) categorised managerial competencies. One of the categories of competencies that they elicited was managerial competencies of dealing with people, which mimics relational managerial competencies of business owners and managers and performance of small-scale businesses. In here, the scholars included the following managerial competencies: establishing focus, providing motivational, support, fostering teamwork, empowering others, managing change, developing others, managing performance, attention to communication, oral communication, written communication, persuasive communication, interpersonal awareness, influencing others, building collaborative relationships, and customer orientation. Another category that Aslan and Pamukcu came with was competencies of dealing with business, which mimics organizational competencies. Here, they included the following: diagnostic information gathering, analytical thinking, forward thinking, conceptual thinking, strategic thinking, technical expertise, initiative entrepreneurial orientation, fostering innovation, results orientation, thoroughness, decisiveness. Another category was competencies dealing with self-management, including: self-confidence, stress management, personal credibility, and flexibility.

Birknerová and Uher (2022) assessed Management Competencies According to Coherence with Managers' personalities in Slovakia - identifying managerial competencies concerning managers' personality characteristics. They followed quantitative approach, in which they gathered data from 573 managers. The study revealed that motivational competencies

correlated positively with the compromise and cooperative style; performance competencies with the competitive and cooperative style; and social competencies with the cooperative, adaptive, and compromise style. Not least, target competencies positively correlated with the competitive and cooperative style. Further, neuroticism negatively correlated with social managerial competence, extraversion, and openness to experience, which positively correlated with motivational and target competence. Friendliness was positively associated with social competence.

Ncube and Chimucheka (2019) investigated importance of small, micro and medium enterprises (SMMEs) towards economic development, poverty alleviation and employment creation in most developing countries in South Africa. They carried out a study, collecting using the survey method by way of a self-administered questionnaire, which was distributed to a sample of 96 SMME owners and managers in Makana Municipality. They found that managerial competencies have an effect on the performance of SMMEs. Having established the effect of managerial competences on the performance of SMMEs, they recommended that government and the local municipality should strengthen support structures that will help SMME operators to develop managerial competencies. The government should also help SMME owners and managers to access training or education in order to improve their managerial competencies. The SMMEs owners and managers should try to attend business seminars and relevant training to equip themselves with the managerial competencies. SMME owners and managers should be prepared to invest in their human capital through training and development, especially in aspects that will help improve their managerial competencies.

The findings disclose a positive and significant relationship between managerial competencies, credit accessibility and business success. Managerial competencies and access to credit explain about 27.7% of the variance in business success. This implies that in order to achieve business success SMEs should improve managerial competencies and put in place better mechanisms for accessing credit. This survey recommends that in the quest for solutions for the business success, other factors should also be emphasized that have an effect on firm performance.

Eton et al. (2017) sought to determine the role of entrepreneurial skills in the performance of SMEs in Nebbi District, West Nile Region in Uganda. They used mixed methods with 106 participants in the survey. The study found that there is a moderate relationship between entrepreneurial skills and performance of SMEs. They noted however, that entrepreneurial skills could not account for the total amount of variation in performance of SMEs. The study

recommended that government need to invest more resources in entrepreneurship development and training. Emphasis must be paid on developing entrepreneurial skills in productivity and marketing as these were identified as key performance indicators. In addition, young entrepreneurs should be trained in gathering and processing market information that is relevant to their businesses.

Concluding, Aslan and Pamukcu (2017) and Cripe et al. (2011) fruitfully categorised managerial competencies into: competencies of dealing with people; competencies dealing with business, and competencies dealing with self-management. These three categories mimic organisational and relational managerial competencies of business owners and managers and their pivotal performance of small-scale businesses. However, Aslan and Pamukcu (2017), looking at the role of entrepreneurial skills in the performance of SMEs in Uganda concluded that entrepreneurial skills did not account for the total amount of variation in performance of SMEs. Conversely, this is likened to saying that organisational and relational managerial competencies of business owners and managers account for small variation of performance of small-scale businesses, which is contentious to what the reviewed literature posts.

2.5 Strategic managerial competencies of business owners and managers and performance of small-scale

Leadership expert, Dr. Monroe Myles, says that leadership determines everything: the quality, mentality, morality, attitude, commitment and destiny of followers (Munroe, 2021). A community can only be as good as its leader. If the leaders stop growing, followers also stop growing. If the leaders stop expanding, the organisation also stop expanding. The biblical scripture post that if the blind leads, then the followers must be blind; and if the blind leads the blind, they both follow in a ditch. The scriptures illuminate the destiny of businesses if their leaders lack managerial competencies.

Competencies describe how really ‘excellent’ staff would work (Taf, 2009). Taf posts that working strategically provides strategic direction for the business and considers future challenges when planning. It uses of a broad range of accurate information as a basis for setting strategy. Strategic managerial competencies see businesses attaining plans, such as: driving strategic priorities; wider strategic imperatives – breadth of vision, emerging issues, implications and wider business issues. A strategic management competency is the competency of a business organization to achieve and sustain a competitive advantage (Create Advantage

Inc., 2022). Developing managerial effectiveness entails developing the relevant skills such as time management, prioritization, strategic thinking, decision-making, and getting up to speed with the job; to be more effective at work (Shaikh et al., 2017).

Strategic managerial competencies of business owners and managers are about implementation of strategic plans and it greatly determines business performance (Kiprono, 2014). The results of the study are of great significance to the county leadership and other related stakeholders in the various public or private sectors. The study's recommendation was on parameters and or key indicators for improvement in the implementation of strategic plans. Hawil et al. (2015) explored the link between the managerial competencies and the firms' performance. They found that all the competencies, including leadership, problem solving, strategic competency and the customer focus, were had a positive relationship with the organization performance. Specifically, organizations innovation was seen linked to the strategic competency. In terms of managerial competencies and skills in companies, the knowledge and application of strategic situation was critical to the firms' performance (Straková et al., 2021).

Diboye-Suku et al. (2019) examined the extent to which managerial competence relates with sustainability of SMEs in Nigeria. They used a cross-sectional survey, in which they sampled 100 respondents. The study found significant relationship between strategic competence and access to financial resources. There was also a significant relationship between organizing, leading competence and access to financial resources. SMEs must therefore be strategic since the business environment is highly competitive. The study recommended that the government should create a conducive climate for SMEs to thrive. Financial institutions should also aid the ideas of managers by providing them with soft loans.

(Kappel 2004) mentioned limited access to differentiated market, which might be related to a lack of forward linkages and low trust and entrepreneurial strategies, the concentration of small scale businesses in low quality production, high transport and transaction costs, corruption, education and poor managerial and skills competence.

There are factors contributing to the undesirable performance of Ugandan small scale businesses as mentioned in different studies which are; limited capital and access to finance, inadequate provision of public infrastructure and services that affect private investment (Svensson and Reinikka 2001), unfavorable taxation systems and a heavy regulatory burden among others (Arinaitwe 2002).

While the contributions of small-scale businesses to development are generally acknowledged, entrepreneurs face many obstacles that limit their growth and development. Research on SSBs development has shown that the rate of failure in Uganda is higher than other developing countries such as Kenya, Tanzania among others (Arinaitwe 2002).

2.6 The research gap

Most of the reviewed literature portrays a positive correlation between managerial competencies and business performance. However, most of them provided little information on the perception of importance of management managerial competencies, and challenges faced in practicing management skills by owners and managers. From theoretical perspective, if there are difficult goals that management and the employees are trying to accomplish, performance may fall due to incompatible actions. In this light, most of owners and managers of the small-scale business in Uganda, more so those operating informal businesses, lack the necessary education and skills to accomplish the goals that they set, if they do set any goals at all.

Small-scale businesses, Sheema Municipality are not exception to this general limitation. Most of the small-scale businesses in the Municipality are run by people who lack of managerial competencies thus explaining the businesses poor performances. Therefore, the purpose of the study is assessing the influence of managerial competencies on performance of small-scale businesses with special emphasis on the experiences in Sheema Municipality

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The section provides the methodology that was used to obtain the perspectives of the respondents towards the research question, hypotheses, independent and dependent variables, for data collection and analysis plan. It encompasses the research design, area of study, study population, sampling size, sampling procedure, data collection instruments, data quality control and ethical considerations in the study.

3.2 Research design

A research design is a structure that holds together elements of the research project (Kombo & Tromp, 2006). It encompasses the methodology and procedures employed for data collection and analysis. This was a cross-sectional study – carried out in a certain Sheema Municipality at one point in time. The study employed correlational research design that collects data necessary for testing relationships in the sample or between or among variables of interest (Asamoah, 2014). The correlational research design was used to make inference about the population from drawing from the sample findings. It helped in establishing whether a relationship exists between managerial competencies and performance of small-scale businesses in Sheema Municipality. The study deployed quantitative approach, which involved collecting of data seeking to establish how managerial competencies influence performance of small-scale business using regression analysis. The study therefore involved making of statistical inferences.

3.3 Area of the study

The study was carried out in Sheema Municipality, Sheema District, Uganda. Sheema District was carved out of Bushenyi District in 2010. Sheema District borders with Mbarara District in the East, Ntungamo and Mitooma Districts in the South, Bushenyi District in the West, and Buhweju District in the North. Sheema Municipality is one of the counties of Sheema District. The Municipality was created in 2019. It is comprised of four divisions, namely: Kabwohe Division, Sheema Central Division, Kashozi Division and Kagango Division.

3.4 The population of the study

A study population is a sum of definite groups of entities that the study is interested in, while a sample is a selected group of some of elements from the totality of the population (Kombo

& Tromp, 2006). According to the 2021 Sheema Municipality Commercial Office records, the total number of small-scale businesses in Sheema Municipality is 2659, which constituted this study's target population stratified as business groups.

3.5 Sample size and determination

A sample is a portion of the population that is considered to participate in the study (Kombo & Tromp, 2006). The sample size usually depends on the population to be sampled. There are number of techniques for determining a study's sample size. This study's sample size was obtained using Yamane (1967) formula below. It is one of the most popular formulas for sample size calculation. Yamane's sample size determination formula is here below:

$n = N / (1 + N(e)^2)$, where:

n= the minimum number of samples or the needed sample size

N= total population

e= error margin (95 percent (giving you an alpha level of 0.05)

The study used a 95 percent confidence level with a population size of 2659.

$n = 2659 / (1 + (2659 * 0.05^2)) = 347.80902551$, which is approximately, 348 people.

Table 1: Showing the study population and sample

Business Groups/ strata	Population	Sample
Agri-produce dealers	30	4
Artisan stores	74	10
Bars and social centres	221	29
Betting	8	1
Boutiques	123	16
Butcheries	18	2
Carpentry workshop	12	2
Charcoal store	24	3
Clinics and healthy centres	19	2
Dealers in electronics	43	6
Dealing in agro-inputs	18	2
Drug shops	72	9
Eating outlets	155	20
Educational institutions and businesses	92	12
Factories and distributors	48	6
Financial businesses	107	14
Fuel stations	5	1
Garages and dealers in spare parts	57	7
General items stores	45	6
Grocery	32	4
Hardware outlets	23	3
Hotels	8	1
Metal workshop	16	2
Millers	16	2
Offices	18	2
Others	12	2
Photo studios and libraries	25	3
Retail outlets	956	126
Salons	194	25
Selling 2nd hand clothes and shoes	10	1
Shoe sellers and makers	12	2
Stationeries	39	5
Tailoring	66	9
Timber and wood workshops	24	3
Veterinary drug shops	16	2
Welders	21	3
Total	2659	348

Source: Preliminary investigation with the Sheema Municipality Commercial Officer.

3.6 Sample selection/procedure

Among Sheema Municipality Divisions, Kabwohe Division has the highest concentration of business activities, which are largely small-scale businesses. The rest of the divisions are having dual commercial and farming settings. The study employed stratified random sampling also called proportional random sampling or quota random sampling in selecting respondents. It applied proportionate stratification that is based on the stratum's share of the total population to come up with the sample in each stratum. For each stratum, starting with the first business entity in the sorted population was drawn, then the next n^{th} element, etc., until the calculated sample size is drawn.

3.7 Sources of data and Data Collections Methods

The study dwelt on primary data for carrying out correlational analysis. Primary data is first hand data gathered by the researcher himself, Victor (2017). A self-Administered questionnaire, which was in both English and Runyankole, was used to collect the data from small-scale business resource people. This is a method of data collection where the researcher sets questions and gives them to respondents to answer. Therefore, the data collection method adopted was the survey, which involves the use of self-administered questionnaires. The data was collected using questionnaire survey method.

3.8 Research instrument

The study was a survey using a questionnaire. A questionnaire is a series of questions asked to individuals to obtain statistically useful information about a given topic (Roopa & Rani, 2012). The questionnaire had closed-ended questions, comprised of a set of questions to which respondents answer by selecting a choice from a list of provided options. This restricted the respondents only to the views expressed in the questionnaire. The questionnaire was also translated into vernacular (Runyankole) to cater for those respondents that didn't know English. This was because Runyankole is the local language of the area where the study was carried out, Sheema Municipality.

3.9 Data quality (Reliability and Validity)

Validity of a test is a measure of how well a test measures what it is supposed to measure. Validity of the research instrument was ensured by calculating its Content Validity Index (CVI) -above 0.6. CVI was computed as: The number of statements considered relevant divided by the total number of statements in the questionnaire.

Reliability is a measure of how consistent the results from a test are. To ensure reliability of the instrument and to build confidence that the instrument yields good results, the study used Cronbach's alpha tests on the Likert scales used in the instrument. Cronbach's alpha was generated using SPSS' reliability analysis.

Table 2: Results of validity and reliability of the study instruments

Variables	CVIs	Cronbach's alpha	Items
Small-scale Business Performance	0.883	0.767	18
Managerial Competencies	0.855	0.650 (approx. 0.7)	20
Relational managerial competencies	0.894	0.690 (approx. 0.7)	19
Strategic managerial competencies	0.875	0.897	29
Strategic Planning	0.863	0.840	13

Table 2 shows CVI and Cronbach's Alpha for the variables, which are above 0.7 as recommended by (Amin, 2005). This confirmed to the questionnaire was valid and reliable.

3.10 Data Analysis

As a questionnaire was used to collect quantitative views. It was structured as follows: respondents' demographics then according to the study objectives. After they were returned, they were cleaned to ensure legibility and accuracy. The respondents were business owners or those involved in managing the small-scale businesses, representing unit of inquiry as well as unit of analysis (Sanjay, 2018). SPSS, which is one of the most popular computer data analysis software in social researches was used to process data. Correlational analysis was carried out and the desired outputs generated, including: measures of central tendency, descriptive and scatter graphs, correlation matrix, and the like. Correlational analysis was used to carry out inferential statistical investigation between managerial competencies and the performance of small-scale businesses. Here factor analysis and correlation matrix were used.

3.11 Research procedure

The researcher obtained an introductory letter from the Directorate of Graduate Studies, Research and Innovations seeking permission to carry out the study in the stipulated area. The researcher explained the purpose of the study to the respondents in order to build confidence among them.

3.12 Ethical consideration

Ethical consideration in research takes into account of informed consent and confidentiality of the respondents - making sure that participants or respondents are safe from any harm and they are protected from unnecessary stress (Marcelle, 2015).

According to Burns and Burns (2008) researcher must conduct his research in an ethically sensitive manner. Research ethics are the rules and values written and unwritten, that demarcate parameters on the relationship between researcher and research participants (Rugg & Petre, 2007).

Informed consent - Consent involves the procedure by which an individual may choose whether or not to participate in a study. The study ensured that participants had a complete understanding of the purpose and methods to be used in the study, the risks involved, and the demands placed upon them as participants. The participants were informed that they have the right to withdraw from the study at any time.

Confidentiality - Confidentiality was ensured in the anonymity of the respondents. The researcher explained to the respondents that information provided about this research study will be kept confidential and for academic purposes only. This was ensured by not inquiring the respondents to write their names but the researcher used code numbers to describe the respondents.

The researcher submitted the proposal to The University's Research Ethics Committee (REC) which evaluated and scrutinized it and then cleared the researcher to go to the field for data collection: considering the impact on the safety of the participants in the design of the study; recruitment of research participants - examining how participants are selected; community considerations - addressing a local need or problem. The study was designed with an understanding of the participants; care and protection of research participants – looking at how the study positively or negatively affects participants or their communities; informed consent – deciding if the consent forms and process are adequate; and confidentiality issues – analysing the steps taken by the study to protect the confidentiality of participants.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF THE RESULTS

4.1.0 Introduction

This chapter presents the study findings according to objectives. It commences with presenting the response rate, socio-demographic characteristics of the study respondents. Socio-demographic characteristics were considered essential in this study and were reported because managerial competencies and performance of small-scale have social aspects. These variables being in a social context are variably affected by social or economic phenomena. In this particular study, gender, age bracket, education level, years one has worked in this organization and one's position in the organization were included. Then general business information was analysed.

4.1.1 Response Rate

Questionnaires were distributed to 348 small-scale businesses in Sheema Municipality and 309 of them responded. Thus, the response rate of 89%, which was adequately high according to Fincham (2008).

4.1.2 Socio-demographic Characteristics of Study respondents

Table 3: Socio-demographic Characteristics of Study respondents, N=309

		Frequency	Percent
Age group	20 to 30 years	121	39%
	31 to 40 years	127	41%
	41 to 50 years	49	16%
	51 years and above	12	4%
Sex	Female	167	54%
	Male	142	46%
Education level	Never been to school	16	5%
	Primary	26	8%
	Secondary	89	29%
	Diploma	92	30%
	Degree	72	23%
	Master's	8	3%
	Professional courses	6	2%
Number of years one has worked in the organization	0 to 5 years	164	53%
	5 to 10 years	107	35%
	Above 10 years	38	12%

Table 3 above shows that of the 309 small business representatives who participated in the study, 39% of them were in the age bracket of 20 to 30 years, 41% - in 31 to 40 years, 16% - in 41 to 50 years and 4% - in were 51 and above years old. The results of distribution of the respondents by sex found that the mamjority of the respondents (54%) were females, while males were 46%. The distributtion by education level, those who never went to school constituted 5%, those who stopped in primary – 8%, secondary -29%, diploma holders – 30%, degree holders – 23%, Master's degree – 8% and professional courses – 2%. The distribution by number of years one has worked in the business found that the majority of the respondents

(53%) had worked in organisation up to 5 years. These were followed those who worked in the business from 5 to 10 years and lastly, those worked in the business above 10 years were 12%.

4.1.3 Results on general business information

The respondents were asked their position in the business. The recomposes are presented in Figure 1 below.

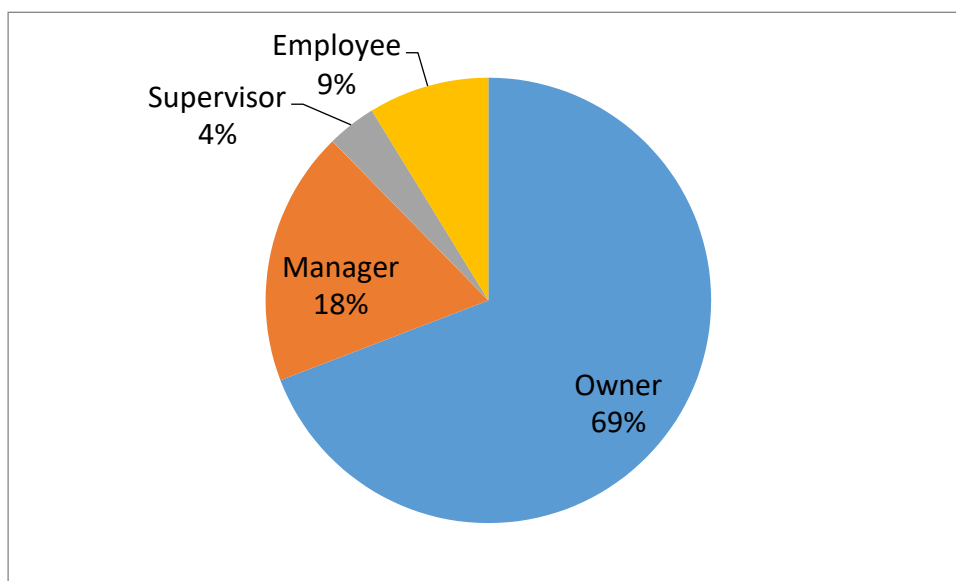


Figure 1: respondents' position in the business

Figure 1 shows that the majority (69%) of the respondents were business owners. These were followed managers (18%), followed by employees (9%) and lastly, by supervisors (4%). Other positions indicated by the respondents were director (1 person) and extensionist (1 person). Cross-tabulating the respondents' position in the business and number of years one has worked in there. Table 4 below, might reveal some underlying story to with the sustainability of the business.

Table 4: Crosstabulation of years one has worked in this organization * ones' position in the business

		your position in the organization				
		Owner	Manager	Supervisor	Employee	Total
Years you have worked in this organization	0 to 5 years	101	35	7	20	164
	5 to 10 years	83	16	2	6	107
	Above 10 years	29	6	2	1	38
	Total	213	57	11	27	309

Table 4 shows that it's the business owners (101) who worked the shortest period, less than 5 years. There could be several reasons for this, among which are that they leave the business to managers, to supervisor, to employees, or their businesses are not sustainable and collapse.

4.1.4 Respondents were asked how long their businesses have been in existence.

The results are shown in Figure 5 below.

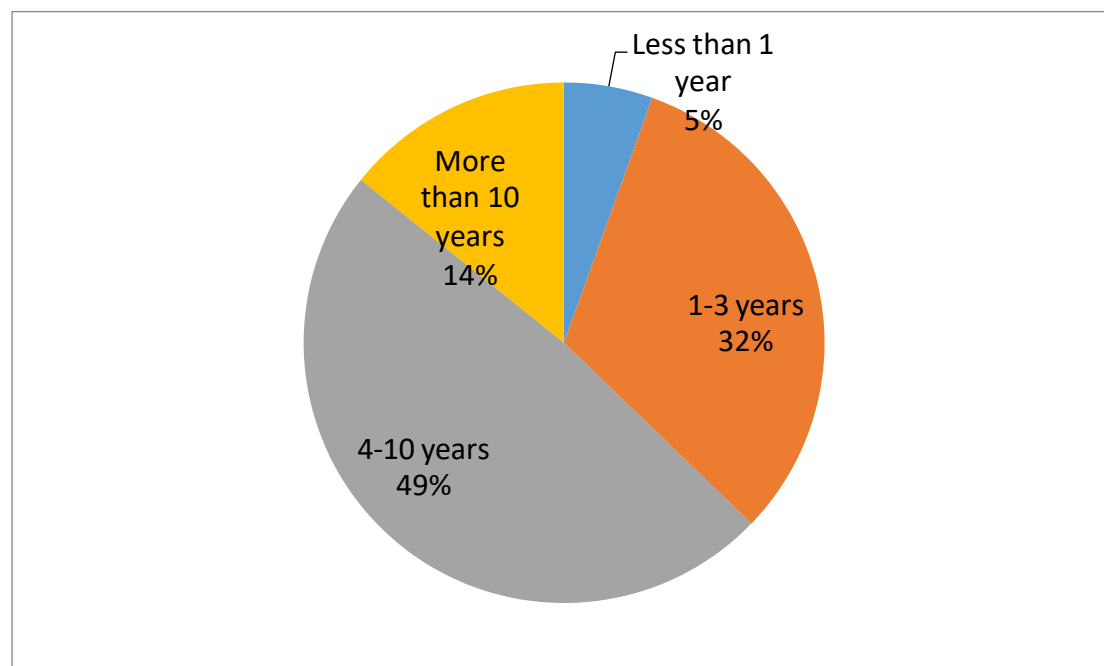


Table 5: Response to the question as to how long the business has been in existence

Table 5 show that the majority (49%) of businesses have have existed for 4-10 years. This was followed by those which have existed for at most three years (32%) and lastly, the least were those which existed for at more 10 years (14%). The smallest number having exsited for more than 10 years casts picture of challenges of sustainability of small businesses.

4.1.5 The next question asked the number of employees that the business employed. The results are presented in Table 6 below.

Table 6: Number of employees and owner managers that the business employed

		Frequency	Percent
Valid	1	63	20.4
	2	53	17.2
	3	38	12.3
	4	31	10.0
	5	22	7.1
	6	16	5.2
	7	6	1.9
	8	11	3.6
	10	13	4.2
	12	4	1.3
	15	2	.6
	16	1	.3
	20	1	.3
	26	1	.3
	27	1	.3
	30	1	.3
	35	1	.3
	Total	265	85.8
Missing	System	44	14.2
Total		309	100.0

Table 6 shows that highest number of the businesses (20.4%) employed one person. These were followed by those which employed two people (17.2%), followed by three people - 12.3%, four people – 10.0%, five people – 7.1%, six people – 5.2%, seven people – 1.9%, eight people – 3.6%, 10 people – 4.2%, 12 people – 1.3%, 15 people – 0.6%, while the rest employing 16, 20, 26, 27, 30, and 35 people – each constuting 0.3%. The results concur with the definition of a small business, which varies across the world. In US, a small business is a firm that has fewer than 500 employees. In the European Union, it is any business that has

fewer than 50 employees; and in Uganda, a business having a number of employees between 5 to 49 employees (Mohsin, 2023; Tally Solutions, 2022).

4.1.6 Relatedly, the respondents were asked the number of employees in in their business who were part time. The results are presented in Table 7 below.

Table 7: Number of employees in the business who were part time

Number	Frequency	Percent
None	212	68.6
1	43	13.9
2	25	8.1
3	12	3.9
4	5	1.6
5	6	1.9
6	4	1.3
14	1	0.3
15	1	0.3
Total	309	100.0

Table 7 show that majority (68.6%)of the businesses did not employ part time employees. This was followed by those who employed one person (13.9%), then who employed two people (8.1%), three – 3.9%, four people – 1.6%, five people – 1.9%, six pepole – 1.3% and lastly those who have 14 asnd 15 part time employees – each constituting 0.3%.

4.1.7 The respondents were asked to indicate the type of businesses. The results are presented in the Figure below;

Figure 2: Type of business

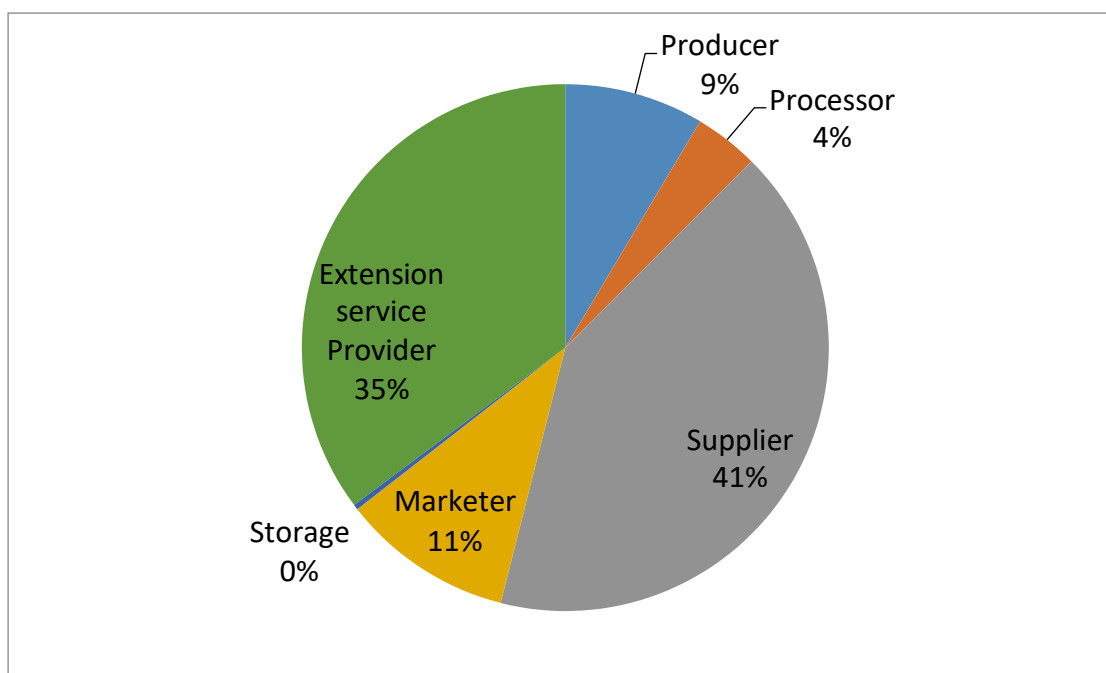


Figure 2 shows that majority (41%) of businesses were suppliers. These were followed by those that belonged to service industry (35%), marketing – 11%, producer – 9%, processing – 4% and lastly storage – 0% that constituted just one firm. Further, those felt that their business did not belong to the above groups, said that their business types fitted in professional services, retailing, mobile banking, retail business, shopping centre, Limited liability. Since the backbone of the economy of Sheema District, whose business life is most vibrant in Sheema Municipality, is agriculture, it could be deduced that the majority of producer, processing, supplier, marketer businesses are on- and off farm agricultural businesses.

4.1.8 Respondents were asked the legal status of their businesses. The responses are presented in Figure 3 below.

Figure 3: Legal status of the businesses

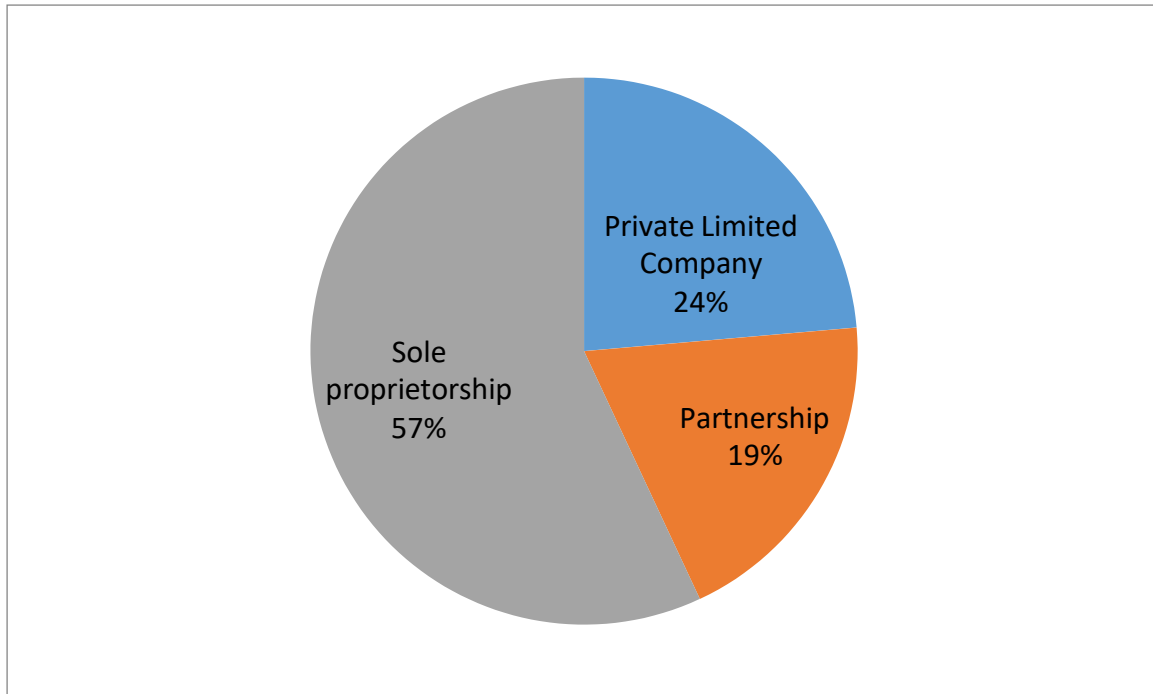


Figure 3 shows that in the perspective of legal status, the majority (57%) of the small business in Sheema Municipality are sole proprietors. They are followed by private limited companies (24%) and lastly, partnerships (19%).

4.1.9 Respondent were asked the annual sales turnover of the businesses.

The responses are presented in Figure 4 below.

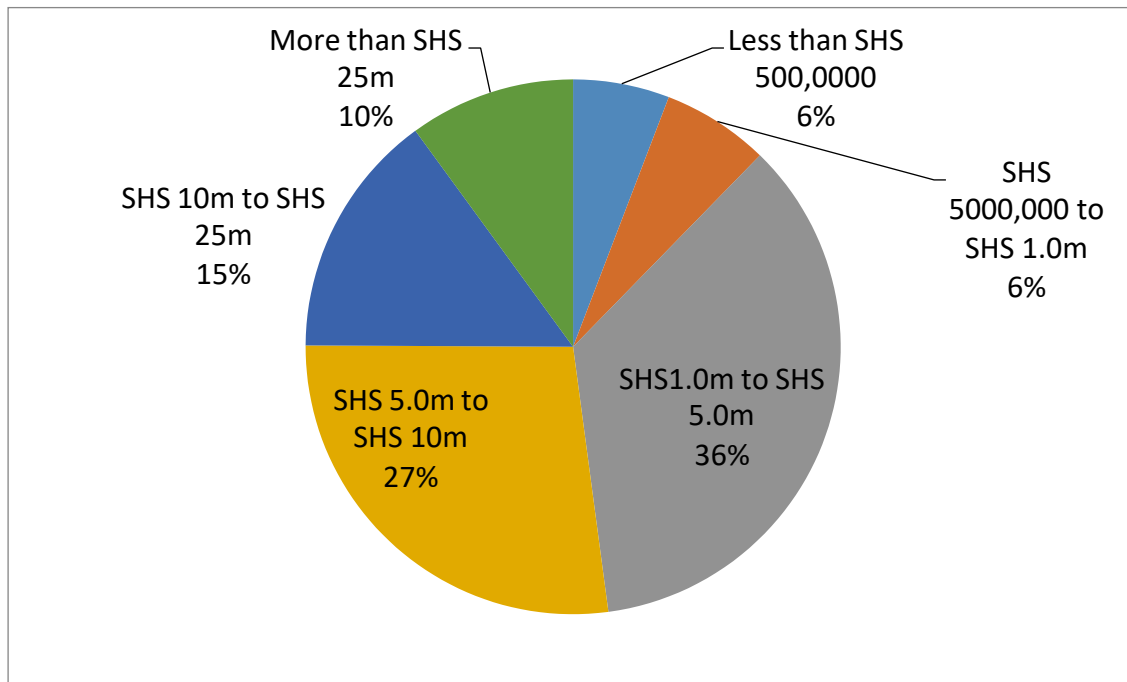


Figure 4: Annual sales turnover of the businesses

Figure 4 above shows the annual sales turnover of the sampled businesses. The majority (36%) of the businesses were those with sales of Shs1M to Shs5M annual turnover. They were followed by those who annual sales turnover was Shs5M to Shs10 (27%), Shs10 to Shs25M (15%) and lastly those who annual turnover was Shs500,000 to Shs1M and those with at most Shs500,000. This is in agreement with Tally Solutions, 2022 which says that Small businesses have a turnover of between 10 Million UGX and 150 Million UGX.

4.2 Respondent were asked to indicate from list of aspects, what gave best description of their motive for engagement in business.

The responses are indicated in Figure 5 below.

Figure 5: what gave best description of their motive for engagement in business

a) Securing livelihood

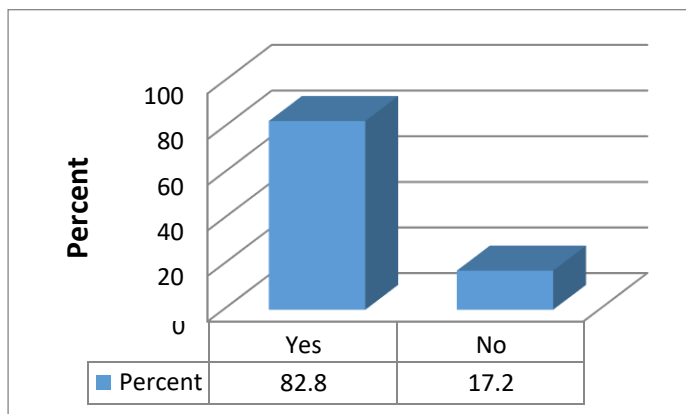


Figure 5 (a) shows that the majority (82.8%) of the respondents indicated that securing livelihood was one of the motivations for engaging in the business. This is good driver for engaging in business that is in line with the government's support for private sector to take a decisive lead in the economy.

b) Need to supplement salaried income

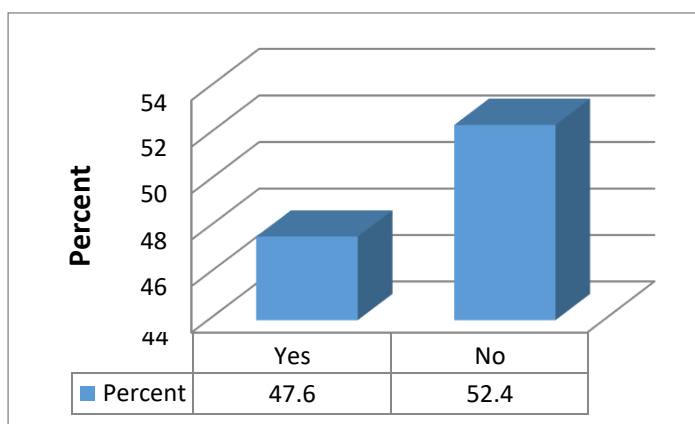


Figure 5 (b) shows that the majority (52.4%) of the respondents indicated that need to supplement salaried income was not the motivation for engaging in the business. This could be implying that the business is their main source of income. On the other hand, 47.6% of the respondents indicated that they need to supplement salaried income was the motivation for engaging in the business, imply that the business is their secondary sourced of income. These deductions can be seen from crosstabulation of the respondents' position in the organization and the need to supplement salaried income in Table 6 below.

Table 8: Crosstabulation of “Employees and owner managers’ position in the organization * Need to supplement salaried income”

		Need to supplement salaried income		Total
		Yes	No	
	Owner	98	115	213
	Manager	29	28	57
	Supervisor	5	6	11
	Employee	15	12	27
Total		147	162	309

Table 8 above shows that business owners constituted the highest number of the respondents who said that need to supplement salaried income was not the motivation for engaging in the business. This shades light on the deduction that that the business is their main source of income.

c) Because of lack of salaried job

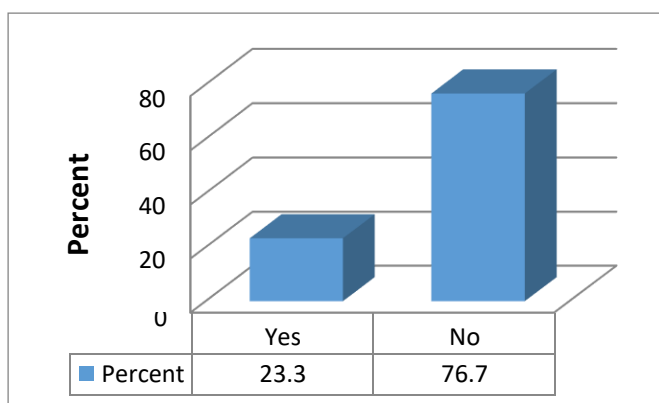


Figure 5 (c) shows that the majority (76.7%) of the respondents indicated that lack of a salaried job was not the motivation for engaging in the business, while 23.3 % indicated that lack of a salaried job was the motivation for engaging in the business. “Your position in the organization * Because of lack of salaried job Crosstabulation” reveal some underlying story from the results above.

Table 9: Crosstabulation of your position in the organization * Because of lack of salaried job

		Because of lack of salaried job		Total
		Yes	No	
	Owner	45	168	213
	Manager	15	42	57
	Supervisor	2	9	11
	Employee	9	18	27
Total		72	237	309

Table 9 shows that the respondents who were business owners constituted that highest number of those who said that lack of a salaried job was not the motivation for engaging in the business (168 respondents). This could be implying that small businesses in Sheema Municipality is not an imprint of the rampant youth and graduates' unemployment and the Government's call for them to start their own businesses and be self-employed.

d) Because of redundancy

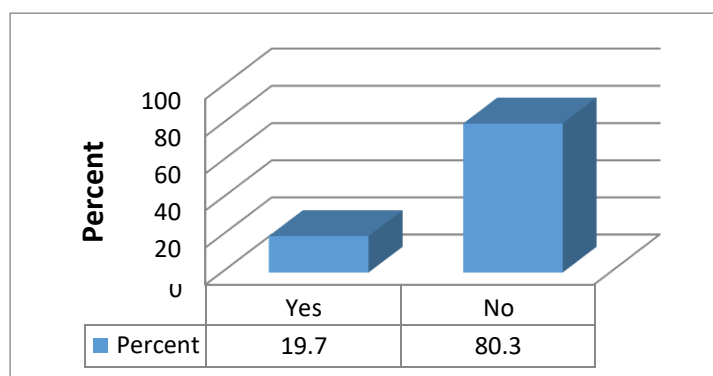


Figure 5 (d) shows that the majority (80.3%) of the respondents' motivation for engaging in the business was not because of redundancy. This is good for the business growth and sustainability as it shows the passion for one's business dealings.

e) Need for part time activity (something to keep you busy)

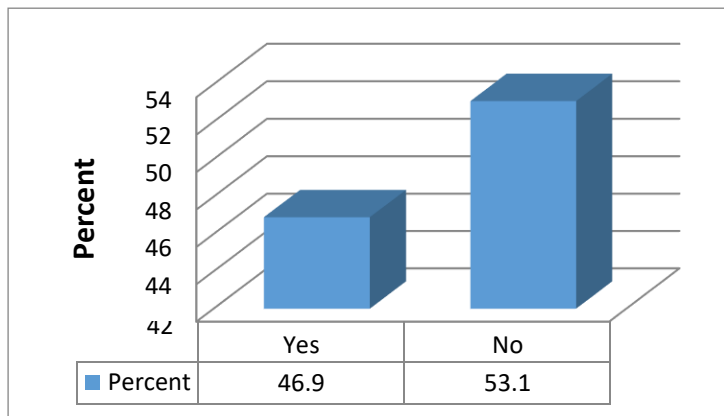


Figure 5(e) shows that the majority (53.1%) of the respondents' motivation for engaging in the business was not because the need for part time activity (something to keep you busy). Akin to the case of 5(d) above, need for part time activity is less likely to be drive by passion. Need for full time activity is (the one which might most probable be motivated by passion).

f) Business is the type of career I always wanted to get involved in

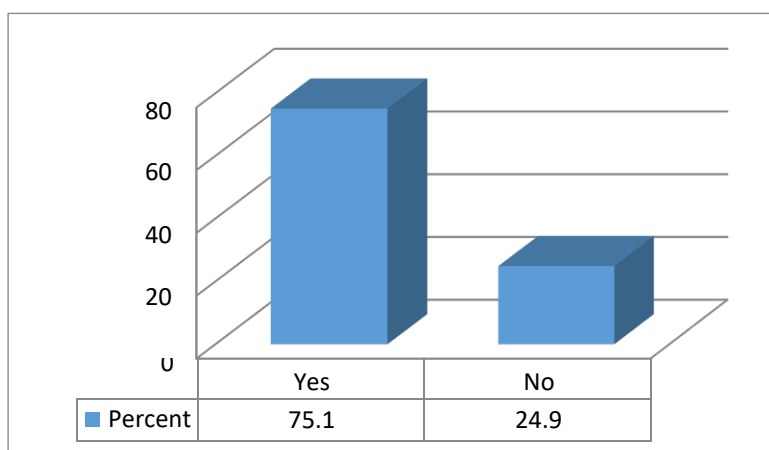


Figure 5(f) shows that majority of the respondents (75.1%) indicated that “business is the type of career they always wanted to get involved in” (was their motivation for engaging in the business). This is in line with the deduction made above on Figure 5(e) that need for part time activity is less likely to be driven by passion, but need for full time activity. This is evident in “your position in the organization * Business is the type of career I always wanted to get involved in Crosstabulation” Table 10 below, where the highest number are the business owners.

Table 10: your position in the organization * Business is the type of career I always wanted to get involved in Crosstabulation

		Business is the type of career I always wanted to get involved in		Total
		Yes	No	
	Owner	157	56	213
	Manager	42	15	57
	Supervisor	8	3	11
	Employee	24	3	27
Total		232	77	309

g) It is an alternative to my salaried job

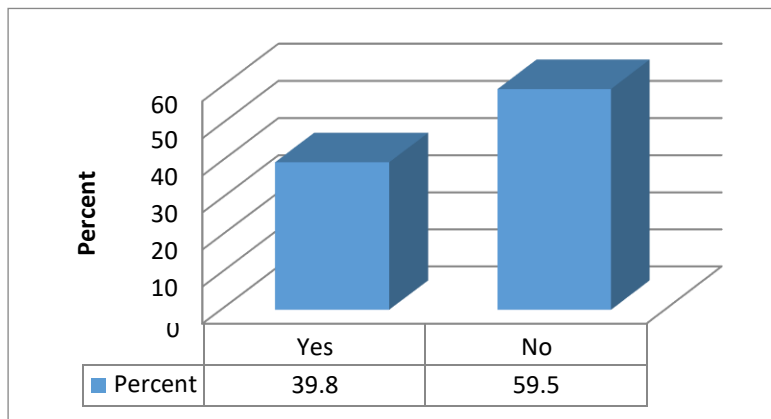


Figure 5(g) shows that majority of the respondents (59.5%) indicated that their motivation for engaging in business was not as an alternative to one's salaried job. This is cast in the "your position in the organization * It is an alternative to my salaried job Crosstabulation" in Table11 below, where the majority are business owners

Table 11: your position in the organization * It is an alternative to my salaried job
Crosstabulation

		It is an alternative to my salaried job		Total
		Yes	No	
	Owner	83	128	211
	Manager	21	36	57
	Supervisor	5	6	11
	Employee	14	13	27
Total		123	184	307

4.2.1 The respondents were asked to indicate the location of the business

The results are presented in Figure 6 below.

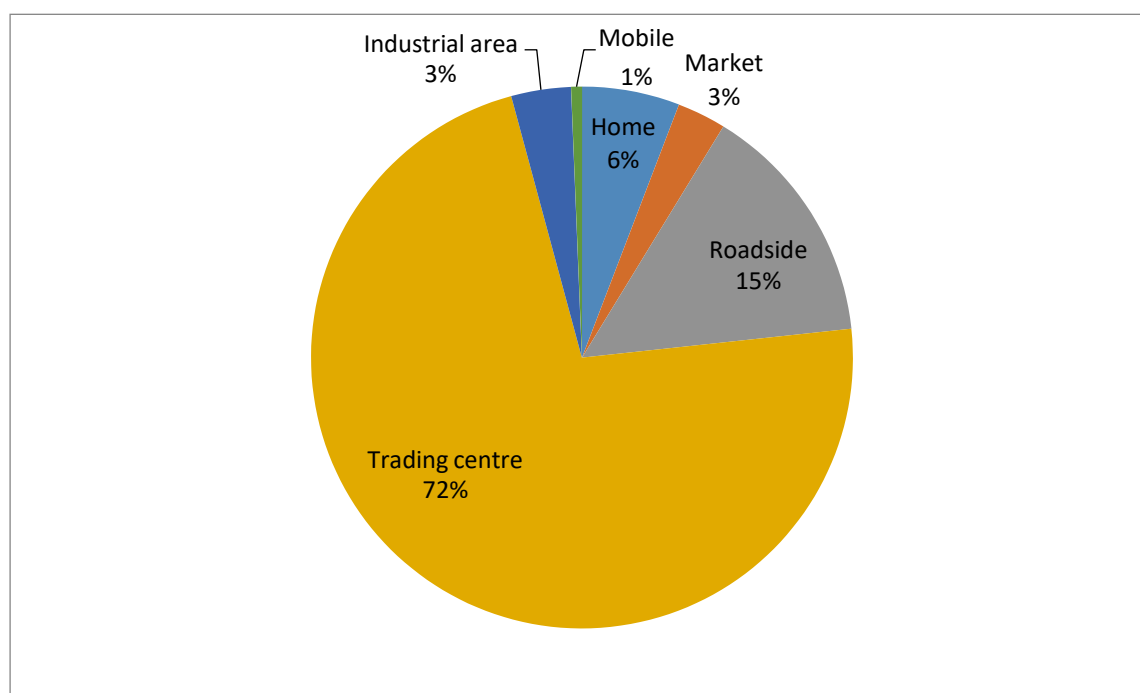


Figure 6: Location of business

Figure 6 shows that the majority of the businesses (72%) were located in the trading centres. They were followed by those which are located by the roadside (15%), then home – 6%, industrial; and market places – each 3% and lastly, mobile – 1%. It can be concluded that the trading centres mainly refer to Kabwohe-Itendero Division, the Municipality's business concentration.

4.2.2 Respondents were asked the source of the business knowledge.

The responses are in Figure 7 below.

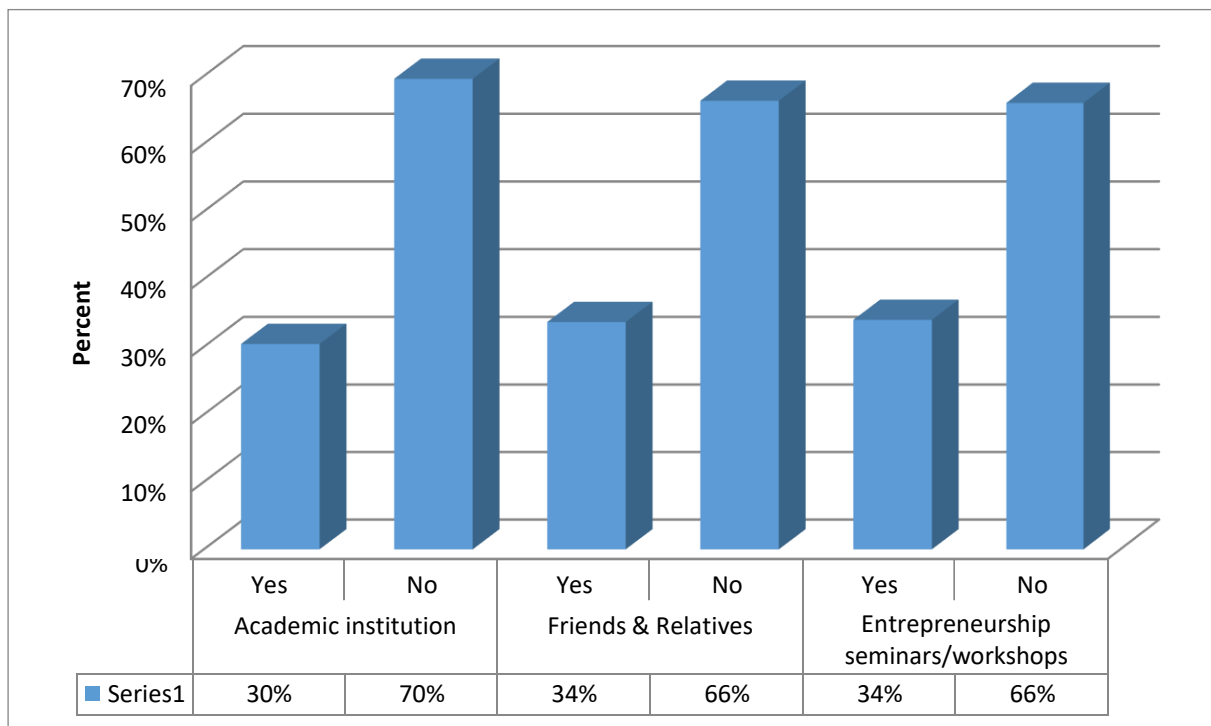


Figure 7: Source of the business knowledge

Figure 7 shows that the majority of the respondents said that the source of the business knowledge was not academic institution, neither friends and relatives nor entrepreneurship seminars/workshops 70%, 66% and 66% respectively. This left the option that they learned on job. Probing further, two respondents said that they learned from former job, one – from spouse, one - from working with others, one – from internet, one - people already in business, two - personal knowledge and one- through Experience.

4.2.3 The respondents were then asked if they have attended any business training

The responses are shown in Figure 8 below.

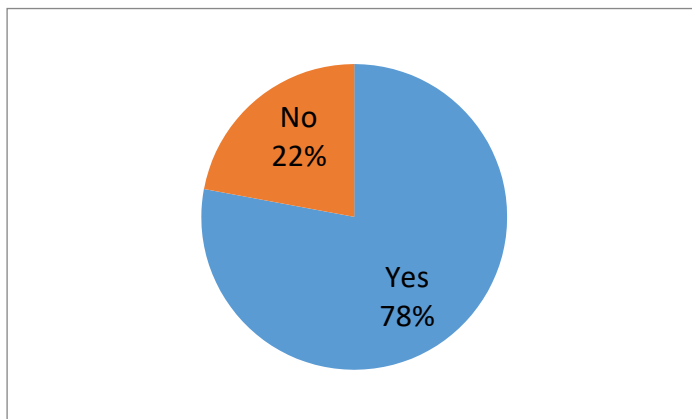


Figure 8: Asking if the respondents attended any business training

Since it has been found out that the majority of the respondents started businesses without being trained in business knowledge, Figure 8 shows that the majority of the respondents (78%) thereafter have endeavored attending business training.

4.2.4 The respondents were asked the type of training

The responses are reflected in Table 9 below.

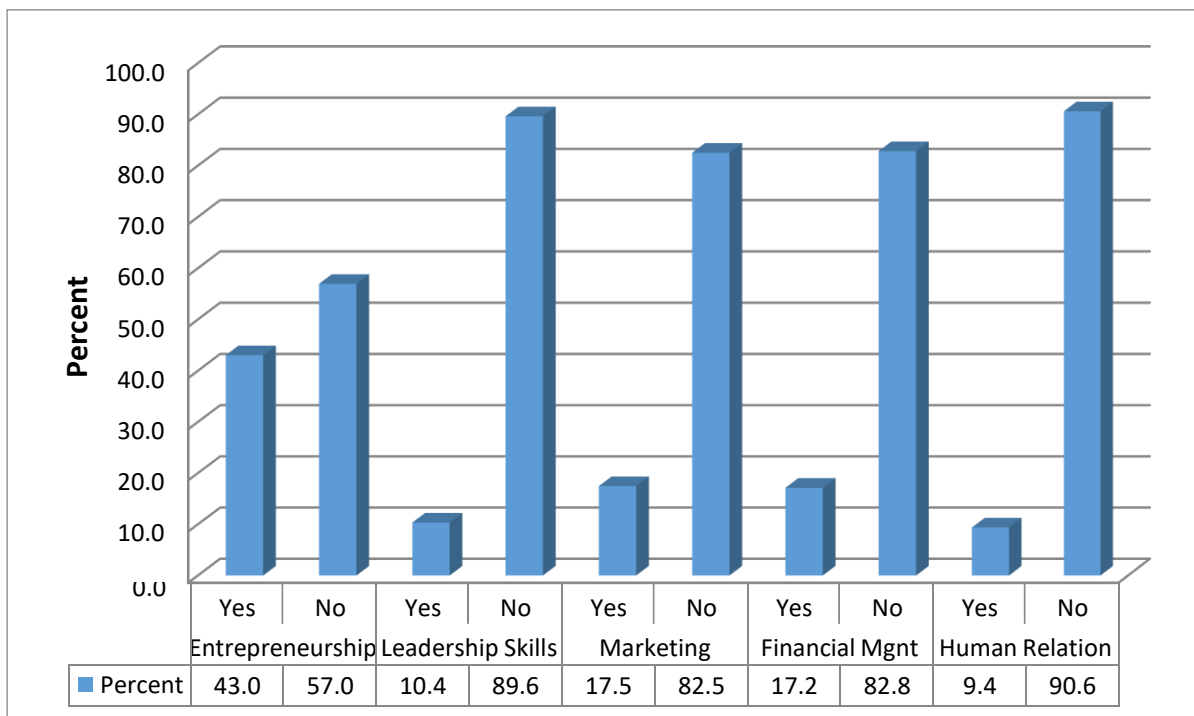


Figure 9: The type of training in business knowledge taken by respondents

Figure 9 shows that the majority of respondents (57.0%, 89.6%, 82.5%, 82.8% and 90.6%) said that they did not take training compared to those said that they did take the training (43.0%, 10.4%, 17.5%, 17.2%, and 9.4%) in entrepreneurship, leadership skills, marketing, financial management and human relation respectively compared to those that they.

Probing, respondents who indicated that they did not take any training, were asked if they wished to attend any business training in the future. The responses are presented in Figure 10 below.

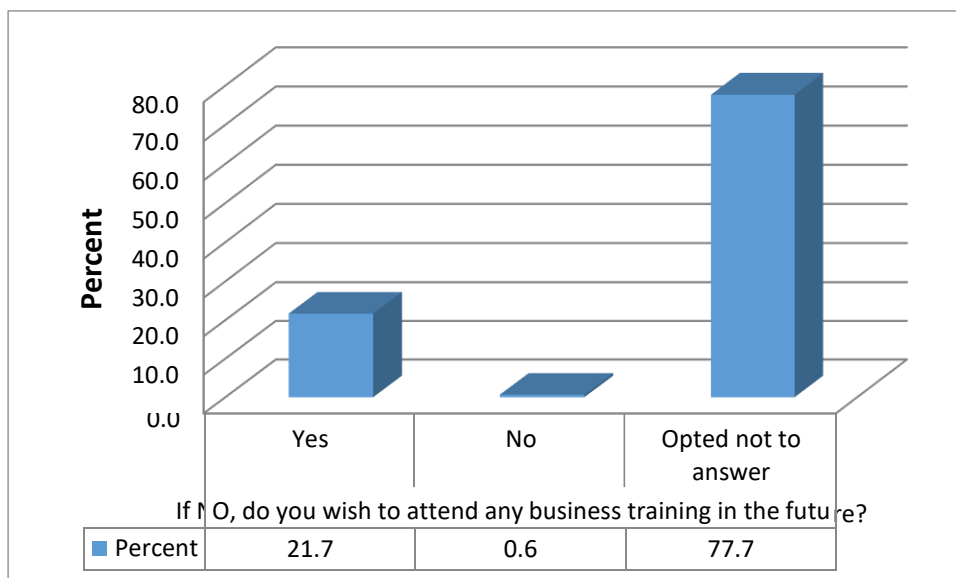


Figure 10: Responses of those who did not take any business if they wished to attend any business training in the future

Figure 10 shows that the majority of the respondents (77.7%) who did not take any business training when asked if they wished to attend any business training in the future, they opted not to answer, 21.7% said yes while 0.6% said no.

Respondents were asked how they financed their businesses. The responses are presented in Figure 11 below.

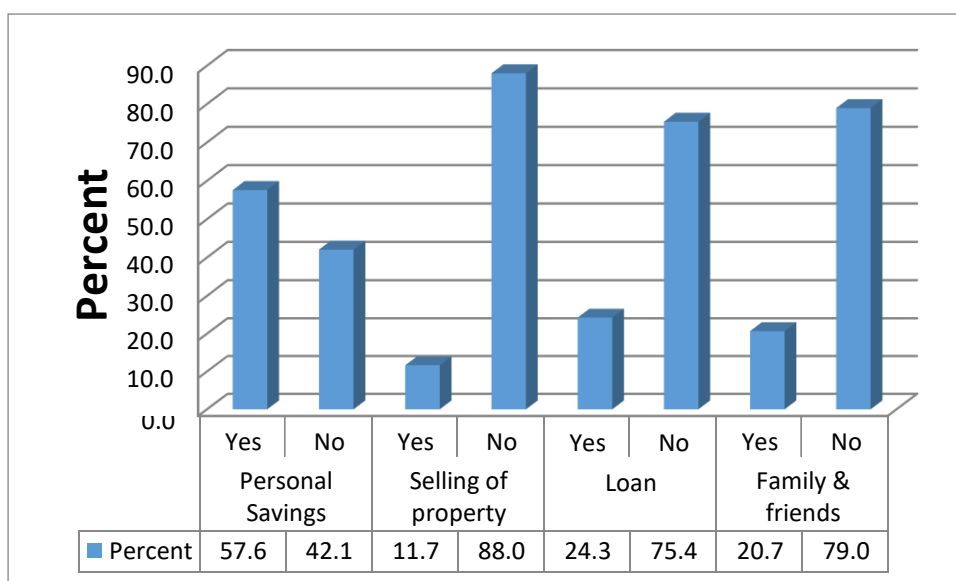


Figure 11: how they financed their businesses.

Figure 11 shows that the majority of the respondents said that they financed their business through personal saving (57.6%) compared to those said not through personal saving (42.1%). These were followed by those who said that they financed their businesses through loans (24.3%) compared to those who said not (75.4%), then, through family and friends (20.7%) compared to those who said not (79.0) and lastly, through selling their property (22.7) compared to those said not (88.0%).

4.2.5 Respondents were asked how much their startup capital was

The responses are presented below;

Table 12: Statistics of startup capital

N	Valid	209
	Missing	100
Mean		7,499,569
Median		4,500,000
Mode		5,000,000
Std. Deviation		11,557,673
Minimum		200,000
Maximum		100,000,000
Percentiles	25	1,000,000
	50	4,500,000
	75	10,000,000

Table 12 shows mean startup capital was Shs7,499,569, Median - Shs4,500,000, Mode - Shs5,000,000, Minimum -Shs200,000, Maximum - Shs100,000,000 and the Standard Deviation Shs11,557,673. The percentiles shows that 25% of the startup capital of businesses were less than Shs1,000,000, 50% - Shs4,500,000 and 75% - Shs10,000,000.

Below is a graphical display of the data of start capital in a histogram – Figure 13.

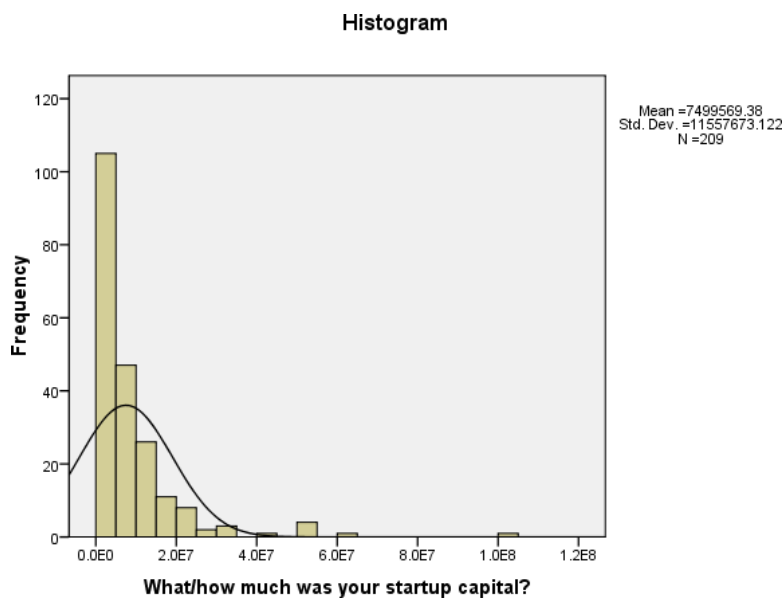


Table 13: Histogram of start capital

Figure 13 shows that the startup capital data is non-normal, and is skewed to the right. This indicates the majority of the small businesses' startup capital is small, that is, far below the average.

4.3 Pearson Correlation matrix

Pearson's Correlation analysis was conducted to measure the strength of linear associations between the study variables and is denoted by r . The Pearson correlation coefficient, r , can take a range of values from +1 to -1. A value of 0 indicates that there is no association between the two variables. A value greater than 0 indicates a positive association; that is, as the value of one variable increases, so does the value of the other variable. A value less than 0 indicates a negative association; that is, as the value of one variable increases, the value of the other variable decreases. The study variables were measured on a continuous scale, and thus Pearson correlation was found to be the most appropriate to test the relationships between the variables.

Table 4.3.1: Correlation Results

	1	2	3	4
Operational Managerial Competencies-1	1			
Relational Managerial competencies-2	.260**	1		
Strategic management competencies -3	-0.049	.3 90**	1	
Performance of Small-scale Business -4	.526**	.543**	.699**	1

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

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

Relationship between Operational Managerial Competencies and Performance of Small- scale Business in Sheema Municipality.

The results in Table 4.3.1 indicate that there is a positive significant relationship between Operational Managerial Competencies and Performance of Small-scale Business in Sheema Municipality is ($r=.526$, $p<.01$). This implies that any positive change in Operational Managerial Competencies will result into positive change in Performance of Small-scale Business in Sheema Municipality. This is implies accepting the null hypothesis that Operational managerial competencies of business owners and managers significantlyinfluence performance of small-scale businesses in Sheema Municipality.

Relationship between Relational Managerial competencies and Performance of Small-scale Business in Sheema Municipality.

The results in Table 4.3.1 indicate that there is a positive significant relationship between Relational Managerial competencies and Performance of Small-scale Business in Sheema Municipality ($r=.543$, $p<.01$). This implies that any positive change in Relational Managerial competencies will result into positive change in Performance of Small-scale Business in Sheema Municipality. This is implies accepting the null hypothesis that Relational managerial competencies of business owners and managers significantlyinfluence performance of small-scale businesses in Sheema Municipality.

Relationship between Strategic management competencies and Performance of Small-scale Business in Sheema Municipality.

The results in Table 4.3.1 indicate that there is a positive significant relationship between Strategic management competencies and Performance of Small-scale Business in Sheema Municipality ($r=.699$, $p<.01$). This implies that any positive change in Strategic management competencies will result into positive change in Performance of Small-scale Business in Sheema Municipality. This is implies accepting the null hypothesis that Strategic managerial competencies of business owners and managers significantlyinfluence performance of small-scale businesses in Sheema Municipality.

4.4 Multiple regression analysis

A multiple regression analysis was run to explain the predictive power of the independent variables to the dependent variable and to show the causal relationship among the study variables.

Table 4.4.1: Multiple regression analysis

Coefficients ^a		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	.082	.173		.582	.502
	Operational Managerial Competencies	.428	.042	.359	1.542	.000
	Relational Managerial competencies	.533	.032	.436	6.051	.000
	Strategic management competencies	.625	.068	.517	14.063	.000

a Dependent Variable: Performance of Small Scale Business

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.682a	.472	.497		.52184

a Predictors: (Constant), Operational Managerial Competencies, Relational Managerial competencies, Strategic management competencies.

The regression analysis results reveal the presence of significant relationships between Operational Managerial Competencies, Relational Managerial competencies and Strategic management competencies on Performance of Small Scale Business in Sheema Municipality. The significance rate, as indicated by the p-values, provides crucial information about the statistical significance of these relationships.

Operational Managerial Competencies has positive significant relationship with Performance of Small-Scale Business in Sheema Municipality (Beta=.359 $p < .05$). Thus implying that a unit increase in Operational Managerial Competencies is associated with a significant increase of 0.359 in Performance of Small Scale Business in Sheema Municipality.

Relational Managerial competencies has a positive significant relationship with Performance of Small-Scale Business in Sheema Municipality (Beta=.436, $p < .05$). This implies that a unit

increase in corporate governance is associated with a significant increase of 0.436 in Performance of Small Scale Business in Sheema Municipality.

Likewise, Strategic management competencies has a positive significant relationship with Performance of Small Scale Business in Sheema Municipality (Beta=.517, $p < .05$). This implies that a unit increase in corporate governance is associated with a significant increase of 0.517 in Performance of Small Scale Business in Sheema Municipality.

In summary, the analysis demonstrates statistically significant relationships between Operational Managerial Competencies, Relational Managerial competencies and Strategic management competencies and Performance of Small Scale Business in Sheema Municipality. The regression results indicate that 49.7% (Adjusted R Square=.497) of the variations in performance of small scale businesses is explained by Operational Managerial Competencies, Relational Managerial competencies and Strategic management competencies, thus implying that the remaining 50.3% is explained by other factors not considered in this study.

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter discusses all the findings reported in chapter four based on the research questions and objectives, draws conclusions and suggests recommendations for the findings, limitations of the study and also proposes some areas for further research.

5.1 Discussion of Findings

The discussions of results were based on the objectives and findings of the study as below;

5.1.1 Operational managerial competencies of business owners and managers on performance of small-scale businesses in Sheema Municipality

From the findings, it indicated that there is a positive significant relationship between operational managerial competencies of business owners and managers on performance of small-scale businesses in Sheema Municipality. This implies that any positive change in operational managerial competencies of business owners and managers will result in to a positive change in performance of small-scale businesses in Sheema Municipality. In other words, business owners and managers being accessible to others, easy to approach and to talk to, sharing information with others and being able to build a rapport, and relating well with other people, being aware that communication is a two way street and being always respond in an appropriate way and not paying attention to other people ideas will result in to a positive change in performance of small-scale businesses in Sheema Municipality.

Furthermore, business owners and managers being able to communicate well in English, this include read and write in English, being able to negotiate effectively and persuading customers, being aware of different types of social media (Facebook, Instagram, Twitter, Skype), and being used one or two of them to communicate with my clients will result in to a positive change in performance of small-scale businesses in Sheema Municipality.

These findings are line with De Meyer and Kim (1996) observes that an increasing number of executives and scholars are finding that strategic "planning" is indeed the easy but perhaps less relevant part of a strategic exercise, but that its implementation is much harder. The scholars note further that coincidentally, initiatives which find their roots in operations management, for example Total Quality Management, Time-Based Competition, Empowerment, and Business Process Reengineering, are considered as the potential sources of future robust performance.

Zatta et al. (2019) investigated operational competencies development from the interaction of shared relational resources in the supply chain and to verify how these competencies allow the resources to be able to function, unity, integration and direction. They found out that information, knowledge and learning are significant constructs to influence the development of operational skills in the supply chain because they represent the ability of the company to promote skills to efficiently use resources and create a barrier to imitation. Evidence of the development of operational competencies is reinforced by the relevance of information and knowledge constructs for orientation and adaptation in an environment of change and high competition through the use of collective skills to solve problems in the relationships between members. The exchange of information and knowledge is especially notable for its presence in the various relational mechanisms that radiate through the interrelated organizations.

Eze et al. (2018) investigated business managers' ratings of operational management strategies for success of small and medium enterprises in Enugu State, Nigeria. They found that operational management strategies were highly relevant to the success of SMEs in Enugu State. Inefficient operations management practices have proved to be the main cause of failure in the administration of any business empire (Egbebu, 2022). Operations managers are held in the apex of leadership in companies and by standards, the outcomes of their management are expected to lead to the growth and success of the company. Egbebu's study found that operational controls, financial prudence, are the specific operations management skills that are responsible for the growth and the success of the company. Hence, operations management is fundamental to the growth and success of a business.

Kibuuka, M. (2015) did an exploration of a multi-sector coverage of small-scale enterprises in Kampala, Uganda. The study showed moderate extent of managerial skills in terms of conceptual, human and technical skills; less successful internally and more successful externally; the extent of managerial skills and success differed significantly according to gender, education level, business form and years in business; the extent of managerial skills

possessed was positively and significantly correlated with all aspects of internal and external success; conceptual and technical skills significantly depicted small-scale entrepreneurs' success. Thus, technical and conceptual skills needed to be more promoted through entrepreneurial and business skills in universities; education of small-scale entrepreneurs on formation of joint ventures and ongoing training programs for skills formation and development.

5.1.2 Relational managerial competencies of business owners and managers and performance of small-scale businesses.

From the findings, it indicated that there is a positive significant relationship between Relational managerial competencies of business owners and managers and performance of small-scale businesses. This implies that any positive change in Relational managerial competencies of business owners and managers will result in to a positive change in performance of small-scale businesses in Sheema Municipality. In other words, Being able to work collaboratively with other colleagues to achieve the set target, taking all credit for business success, believing that I am the only person who works hard in our business no one else, encouraging people/my staff to think and act co-operatively and being open for criticism, suggestions and being able to work with other business owner-managers will result in to a positive change in performance of small-scale businesses in Sheema Municipality.

In addition finding it very difficulties to set clear goals, struggling to identify priority activities in my business, and having a challenge to allocate resources for activities, not planning all activities and drawing a budget in our business, always struggling to draw financial statement such as income statement, cash flow and balance sheet and being able to foresee business risks and allow for contingencies will result in to a positive change in performance of small-scale businesses in Sheema Municipality.

Furthermore, in my business not having mission and vision statement, having a broader understanding of my customers and knowing what they want from our business, always struggling to make decisions that are consistent which organization mission and strategic goal, Our business strategic goals being realistic and achievable goals and In my business, having long and short term goals will result in to a positive change in performance of small-scale businesses in Sheema Municipality.

These findings are in line with Birknerová and Uher (2022) who assessed Management Competencies According to Coherence with Managers' personalities in Slovakia - identifying

managerial competencies concerning managers' personality characteristics. Ncube and Chimucheka (2019) investigated importance of small, micro and medium enterprises (SMMEs) towards economic development, poverty alleviation and employment creation in most developing countries in South Africa. They carried out a study, collecting using the survey method by way of a self-administered questionnaire, which was distributed to a sample of 96 SMME owners and managers in Makana Municipality. They found that managerial competencies have an effect on the performance of SMMEs. Having established the effect of managerial competences on the performance of SMMEs, they recommended that government and the local municipality should strengthen support structures that will help SMME operators to develop managerial competencies. Eton et al. (2017) sought to determine the role of entrepreneurial skills in the performance of SMEs in Nebbi District, West Nile Region in Uganda. They used mixed methods with 106 participants in the survey. The study found that there is a moderate relationship between entrepreneurial skills and performance of SMEs. They noted however, that entrepreneurial skills could not account for the total amount of variation in performance of SMEs.

5.1.3 Strategic management competencies of business owners and managers and performance of small-scale.

From the findings, it indicated that there is a positive significant relationship between Strategic management competencies of business owners and managers and performance of small-scale. This implies that any positive change in Strategic management competencies of business owners and managers will result in to a positive change in performance of small-scale businesses in Sheema Municipality. In other words, my business having mission and vision statement, the owners-managers of the business being able to make decisions that are consistent with their organization vision, the owners-managers of the business being able to set realistic and achievable goals and the business having short and long goals will result in to a positive change in performance of small-scale businesses in Sheema Municipality. In addition, having an effective governance structure, having a clear reporting structure, Lower staff being able to express their views to management, Top management team developing strategic guidelines, Top management team commanding strategic direction, Top management team developing the structure of the organization, The organization having a board of directors and having constant interaction between the board and management will result in to a positive change in performance of small-scale businesses in Sheema Municipality.

More so, the strategy being developed, reviewed and updated periodically based on the information from customers, environment, and performance measurement, well formulated strategies greatly affecting company's performance, the strategy being deployed through a framework of key processes, Internal factors affecting the company's strategic decisionmaking, external factors affecting the company's strategic decision making and the organization adopting new strategies to achieve competitive advantage will result in to a positive change in performance of small-scale businesses in Sheema Municipality.

And finally, business owners and managers enabling the company to develop future strategies, tactics and operations, Strategic initiatives being made part of your operating business plans, Strategic planning helping in controlling current activities, Planning facilitates measuring and evaluating firm performance, Strategic planning helping in optimizing the use of firm's resources and Reducing subjectivity in the decision making process is aided by a clear strategic plan will result in to a positive change in performance of small-scale businesses in Sheema Municipality.

These findings are in line with Diboye-Suku et al. (2019) who examined the extent to which managerial competence relates with sustainability of SMEs in Nigeria. They used a cross-sectional survey, in which they sampled 100 respondents. The study found significant relationship between strategic competence and access to financial resources. There was also a significant relationship between organizing, leading competence and access to financial resources. SMEs must therefore be strategic since the business environment is highly competitive. The study recommended that the government should create a conducive climate for SMEs to thrive. Financial institutions should also aid the ideas of managers by providing them with soft loans. Hawil et al. (2015) explored the link between the managerial competencies and the firms' performance. They found that all the competencies, including leadership, problem solving, strategic competency and the customer focus, were had a positive relationship with the organization performance. Specifically, organizations innovation was seen linked to the strategic competency. In terms of managerial competencies and skills in companies, the knowledge and application of strategic situation was critical to the firms' performance (Straková et al., 2021).

5.2 Conclusions

From the findings, it can be concluded that Strategic management competencies is a significant predictor of managerial competencies on performance of small-scale businesses with special emphasis on the experiences in Sheema Municipality since it is confirmed by both correlation and regression results. This can further imply that Strategic management competencies will improve if there is an improvement in innovation and creativity, opportunity recognition and seizing, range of the market and market share amongst the business owners and managers thus resulting into a positive change in performance of small-scale businesses in Sheema Municipality. It can further more be concluded that any positive change in Relational Managerial competencies of business owners and managers will result into better performance of small-scale businesses in Sheema Municipality. It is therefore vital for managers and business owners to improve their relationships and HRM competencies, sourcing capital and resource mobilization, planning to control business resources and ethnical ethos since these will improve performance of small-scale businesses in Sheema Municipality. Finally, it can be concluded that any positive change in Operational Managerial Competencies of business owners and managers will result into better performance of small-scale businesses in Sheema Municipality. It is therefore vital for managers and business owners to improve their knowledge of business operations systems and taking advantage in technological advances inorder to improve performance of small-scale businesses in Sheema Municipality.

5.3 Recommendations

It is recommended for small-scale businesses to strike a balance between operational excellence and the broader strategic and relational competencies required to achieve sustained growth.

It is recommended for small-scale businesses to consider dedicating resources to improve their ability to create and maintain positive connections with key partners. Effective communication, customer relationship management, and supplier collaboration are aspects to focus on to maximize the impact of relational competencies thus increase performance.

5.4. Limitations of the study

The current study adopted a quantitative design leaving out the qualitative aspects that would provide an explanation for the situation

The current study also adopts a cross sectional approach where a single period data was considered.

5.5. Areas of further research

- The study adopted a cross sectional design where data is collected at one point in time and the findings from such studies are always limited to the current period only hence future studies should look at a longitudinal research design where performance is monitored for a long period of time
- The study was restricted to a quantitative approach using a structured questionnaire to elicit information from the respondents meaning that other features that can be observed were not included in the findings and thus future research should incorporate qualitative factors using for example observations and interview guide.
- In this study, Operational managerial competencies, relational managerial competencies and strategic management competencies contributed 49.7% towards performance of small-scale businesses. Further research should explore other determinants of performance of small-scale businesses.

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APPENDIX 1: QUESTIONNAIRE

Dear Respondent,

I am **NDYANABO CRINARD**, a student of Bishop Stuart University, conducting research on, ‘**Managerial Competencies and Performance of Small-scale Businesses in Sheema municipality, Sheema District.**’ You have, therefore, been identified as a resourceful person to provide data necessary for this research. Be rest assured that the information provided shall be treated with utmost anonymity and shall be used only for academic purposes.

Thank you so much.

Section A: Background information

Sub-Section1: Demographics

This section of questionnaires require you to provide demographic information: your name, business name, gender, ethnic group, age, level of education, period of business operation and sector of operation

Question 1

1. Please provide your name and surname (optional)

2. What is your gender?

Male ☐ Female ☐

3. In which age bracket do you fall?

20 to 30 years ☐ 41 to 50 years ☐

31 to 40 years ☐ 51 years and above ☐

4. What is your education level?

Never went to school ☐ Primary ☐

Secondary ☐ Diploma ☐

Degree ☐ Masters ☐

PhD ☐ Professional courses ☐

5. How many years have you worked in this organization?

0 to 5 years ☐ 5 to 10 years ☐

Above 10 years ☐

Sub-Section II: Company profile

6. What is your position in the organization?

Owner ☐ Manager ☐

Supervisor ☐ Employee ☐

Others Specify

7. Please provide the name of your Business

8. How many years has your firm been in business/operation?

Less than 1 year ☐

1-3 years ☐ 4-10 years ☐

More than 10 years ☐

9. What is the number of employees in your business?

10. Number of employees in your business who are: Full time _____

Part time _____

11. What is the type of your business?

Producer	☐	Processor	☐
Supplier	☐	Transporter	☐
Marketer	☐	Storage	☐
Extension service Provider	☐		
Others Specify _____			

12. What is the legal status of your business?

Private Limited Company	☐
Partnership	☐
Close Corporation	☐
Sole proprietorship	☐
Other _____	

13. Annual sales turnover

Less than SHS 500,0000	☐	SHS 5000,000 to SHS 1.0m	☐
SHS1.0m to SHS 5.0m	☐	SHS 5.0m to SHS 10m	☐
SHS 10m to SHS 25m	☐	More than SHS 25m	☐

SECTION B: GENERAL BUSINESS INFORMATION

14. Which of the following aspects gives best description of your motive for engagement in business? *(Please tick in the box that best represent your response in each statement)*

S/N	Aspect	Yes	No
a.	Securing livelihood		
b.	Need to supplement salaried income		
c.	Because of lack of salaried job		
d.	Because of redundancy		
e.	Need for part time activity (something to keep you busy)		
f.	Business is the type of career I always wanted to get involved in		
g.	It is an alternative to my salaried job		

15. Location of business

Home	Market	Roadside	Trading centre	Industrial area	Mobile
1	2	3	4	5	6

16. Where did you get the business knowledge?

Academic institution	Friends/ Relatives	Entrepreneurship seminars/workshops	Others (Specify)
1	2	3	

17. Have you attended any business training? Yes ☐ No ☐

18. If YES, which type of training?

Entrepreneur Ship	Leadership Skills	Marketing	Financial Management	Human Relation	Others (Specify)
1	2	3	4	5	

If NO, do you wish to attend any business training in the future? Yes ☐ No ☐

19. How did you finance your business?

Personal Savings	Selling of property	Loan	Family & friends	Others (Specify)
1	2	3	4	

20. What/how much was your startup capital? _____

SECTION C: Small-scale Business Performance

Please rate how much you agree/ disagree with each statement below, by ticking in an appropriate box using this scale: “Strongly agree **(1)**”; “Agree **(2)**”; “Undecided **(3)**”;

“Disagree **(4)**”; and “Strongly Disagree **(5)**”.

<i>Financial Measures</i>		(1)	(2)	(3)	(4)	(5)
21.	Operating income of the firm has increased					
22.	The firm’s financial position as measured by its working capital ratios, has improved					
23.	Return on investment has greatly improved over the years the years					
24.	The organization has improved product on most of its products					
25.	Sales growth are on increasing trend					
26.	Cash flows have improved over the years					

<i>Non-Financial Measures</i>						
27.	Number of customer complaints					
28.	The organization has a large market share for its Products					

29.	The firm has developed new products and or product lines for its markets					
30.	There is improved customer satisfaction relative to Competitors					
31.	We receive less or no complaints about the quality of the organization's products					
32.	Employee turnover is high					
33.	The organization has the ability to compete and dominate the market					
34.	Remuneration and benefits have improved					
35.	The level of productivity has greatly improved					
36.	Products are delivered on time					
37.	Product quality has improved overtime					
38.	Generally employees are satisfied with the working					

SECTION D: Managerial Competencies

Objective One: Operational managerial competencies of business owners and managers

39. What is the current amount of capital? _____

40. Number of employees in your business; Full time _____ Part time _____

41. What records does your enterprise keep? (Tick in box)

- i. Business expenses ☐
- ii. Sales records ☐
- iii. Accounts receivable ☐
- iv. Accounts payable ☐
- v. Customer list ☐
- vi. Vendors ☐
- vii. Employee information ☐
- viii. Tax documents ☐
- ix. Invoices ☐
- x. Purchase orders ☐
- xi. Receipts ☐
- xii. Banks statements ☐
- xiii. Contracts ☐

The following questionnaires will be used to assess managerial competencies to SSB's owners-managers

Please rate how much you agree/ disagree with each statement below, by ticking in an appropriate box using this scale: “Strongly agree (1)”; “Agree (2)”; “Undecided (3)”;

“Disagree (4)”; and “Strongly Disagree (5)”.

<i>Communication Competency: the following questions will be used to assess the level of communication skills to small business owners-managers.</i>						
		1	2	3	4	5
42	I am accessible to others, easy to approach and to talk to.					

43	I share information with others and I able to build a rapport, and relate well with other people.						
44	I am aware that communication is a two way street and I always respond in an appropriate way.						
45	I don't pay attention to other people ideas.						
46	I able to communicate well in English, this include read and write in English.						
47	I am able to negotiate effectively and I also able to persuade customers.						
48	I am aware of different types of social media (Facebook, Instagram, Twitter, Skype), and I used one or two of them to communicate with my clients.						

Objective Two: Relational managerial competencies

<i>Teamwork Competency: The following questionnaire will be used to assess teamwork competency amongst the SSB's owners-managers.</i>							
49	I am able to work collaboratively with other colleagues to achieve the set target.						
50	I take all credit for business success; I believe that I am the only person who works hard in our business no one else						
51	I encourage people/my staff to think and act co-operatively.						

52	I am open for criticism, suggestions and I am able to work with other business owner-managers.					
<i>Planning and Administration. The following questionnaires will be used to explore the challenges of SSB's owners when it's come to planning and administration.</i>						
53	I find it very difficulties to set clear goals.					
54	I struggle to identify priority activities in my business, and it's always a challenge to allocate resources for activities.					
55	We do not plan all activities and draw budget in our business					
56	I always struggle to draw financial statement such as income statement, cash flow and balance sheet.					
57	Do you have a person that look after business books? (book keeper)					
58	I able to foresee business risks and allow for contingencies					
<i>Strategic Action: To measure the level of understanding of SSB's owners-managers when it's come strategic planning.</i>						
59	In my business we don't have mission and vision statement.					
60	I do have a broader understanding of my customers and I know what they want from our business.					
61	I always struggle to make decisions that are consistent which organization mission and strategic goal.					
62	Our business strategic goals are realistic and achievable goals.					
63	In my business we have long and short term goals.					

Objective Three: Strategic managerial competencies

Please rate how much you agree/ disagree with each statement below, by ticking in an appropriate box using this scale: “Strongly agree (1)”; “Agree (2)”; “Undecided (3)”;

“Disagree (4)”; and “Strongly Disagree (5)”.

		1	2	3	4	5
64	My business has mission and vision statement.					
65	The owners-managers of the business are able to make decisions that are consistent with their organization vision.					
66	The owners-managers of the business able to set realistic and achievable goals.					
67	The business has short and long goals.					
Firm Structure						
68	We have an effective governance structure					
69	We have a clear reporting structure					
70	Lower staff are able to express their views to management					
71	Top management team develops strategic guidelines					
72	Top management team commands strategic direction					
73	Top management team develops the structure of the organization					
74	organization					
75	The organization has a board of directors					
76	There is constant interaction between the board and management					
Firm Strategy						

77	The company has a definite strategy					
78	The strategy of the firm documented and communicated to the employees of the firm?					
79	Strategies are based on target customers, markets environment					
80	Management encourages employees to participate in the development of the firm strategy					
81	The leader team considers employees' idea when planning the company's future.					
82	The strategy are developed, reviewed and updated periodically based on the information from customers, environment, and performance measurement.					
83	Well formulated strategies greatly affects company's performance					
84	The strategy is deployed through a framework of key processes					
85	Internal factors affect the company's strategic decision making					
86	External factors affect the company's strategic decision making					
87	Our organization adopts new strategies to achieve competitive advantage					
88	The company does the external and internal analysis to know the strategies to adopt					
89	Strategy management affects overall company's performance					
90	The company provides new products to existing market					
91	The firm provides established product to exist market(differentiation on price, quality and other values comparing competitors					
92	Provide established products to new market					

93	Provide new product to new market					
Strategic Planning						
94	The company has a clear vision and mission statements					
95	We have a directed strategy with delineated goals					
96	The organization has a three to four year strategic plan					
97	Planning department develops strategy					
98	The organization has a fixed planning cycle					
99	Strategic planning enables the company to develop future strategies, tactics and operations					
100	Strategic initiatives are made part of your operating business plans					
101	Strategic planning helps in controlling current activities					
102	Planning facilitates measuring and evaluating firm performance					
103	Strategic planning helps in optimizing the use of firm's resources					
104	Reducing subjectivity in the decision making process is aided by a clear strategic plan					
105	We have identified our strengths, weaknesses, opportunities and threats					
106	Improving internal and external communication is achieved by developing clear strategic plans					

.....End.....