

**MANAGEMENT PRACTICES AND PERFORMANCE OF SMALL SCALE
BUSINESSES**

A CASE STUDY: USAFI MARKET, KATWE

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DEDICATION

This work is dedicated to my parents, Mr. Odongo Selestino and Mrs. Odongo Lillian, my brother Opio Jimmy James Odongo, my sisters, Agoa Teopista Odongo, Adong Ruth Odongo and Akullo Immaculate Mary Odong for being my light for life.

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LIST OF ACRONYMS

- GEM : Global Entrepreneurship Monitor report
- GDP : Gross Domestic Percapita
- SMS : Short Messages
- UIA : Uganda Investment Authority
- EAC : East African Community
- COMESA: Common Market of Eastern and Southern Africa
- WTO : World Trade Organization
- UBOS : Uganda Bureau of Statistics

ABSTRACT

The major objective of the study is to analyze the impact of management practices on the performance of small scale enterprises using a case study of USAFI market found in Katwe. The study variables were the independent variable included organization, plan and leadership while the dependent variable included productivity, technological advancement and profitability. The Specific objective of the study were , to determine the effect of organizing to the performance of small scale businesses, to examine the role of planning in the performance of small businesses, to find out the role of leadership and performance of small business enterprises .

In my literature review, a theory was used which included Transformational leadership theory. The literature was further reviewed using written work by other scholars concerning my topic, journals; this was a good support to show evidence of the problem in the statement of the problem

The research used a case study design with both quantitative and qualitative approaches. The study involved a sample of 80 respondents drawn from a study population of 100 people. SPSS was used to analyze the quantitative data and to develop the tables. The conclusion of study showed most of the business operators at least were engaged in management practices which was a good sign. The data was collected using primary data which included questionnaires designed using linkert scales and secondary data got from text books, journals.

The recommendation of the study was basically that Support towards small scale businesses is critical. In this regard, the central Government should put in place a framework of policies and actions designed at supporting the establishment and growth of small businesses through subsidies and tax waivers. The end result of this will significantly improve the performance of small scale businesses; improve small businesses chances to breakeven, as well as increasing the profitability margin - thereby enabling re-investment, resulting into business expansion and broadening employment opportunities in the country and the region at large.

CHAPTER ONE

1.0 Introduction

This chapter explores the background to the study, the problem statement, purpose of the study, major objectives, specific objectives, research questions, scope, significance of the study and conceptual frame work.

1.1 Background to the study

In Europe, the number of small and medium enterprises was 1600-5000 against larger enterprises and they employed 68.6 million people as against 34.6 million people by large enterprises (the Netherlands, 1997). In 1992, 53 percent of all jobs in America were held by people working in small businesses (stoner, et al, 1996) and between 1988-1990). While large businesses were laying off people, the small businesses were recruiting. In India, about 45 percent of the total export earnings were contributed by micro and tiny enterprises (National Research Development Corporation, 1998). This is true in many countries world wide that the small enterprises play an important role in job creation and income generation. Despite the importance of small scale enterprises, they appear not to have been very successful in Sahara Africa. Many studies that have been done (Wanyanna, 1997). Ngobo, (1995), Sewanyana(1997). Indicates that small scale enterprise businesses have a variety of problems, some of which are managerial and lack of markets since the small units have been identified as important players in the world market, It's important that they supported in their development.

In Uganda, small scale enterprises are reported to contribute about 20 percent of Uganda's GDP Tulip and Bitekerezozo (1993). This figure may be much higher given that Uganda's GDP IS contributed by mostly agricultural production. This is mainly by small holders who may not even fit in the definition of micro and small businesses. Besides, since great component of GDP, is none monetized and largely subsistence, it's possible that the contribution of both micro and small units is much larger than 20 percent. It's reported by the ministry of planning and economics development (1992) that over 80 percent of Uganda's manufacturing output is by small enterprises. The sector also employs up to 2.6 million people in Uganda (Uganda investment authority, 1996).

Wasswa Bulumywa (director of MUBS) in Uganda, the role of this sector has become recognized and various financing schemes have been established to assist the growth of these enterprises as one of the problems that has been identified that this sector has pride Africa, Finca Uganda, Uganda women credit finance and many others.

Catsby small enterprises platform, his Excellency Y.K. Museveni in particular, noted that there is need to create more jobs through strategic intervention in areas such as textiles and encouraging large scale commercial viable and modern agricultural production in orders for Uganda to create and access vibrant, regional and global market under auspices of the East African Community (EAC), common market or eastern and southern Africa (COMESA) and world trade organization (WTO) regions.

During the opening of the 5th session of the 7th Uganda parliament of June 7 2005, the president of Uganda informed the nation that the industrial growth rate in Uganda is has averaged at 10.2 percent per annum since 1986 and the industrial sector employed 3.3 million people by 2004.

Those small and medium enterprises have registered a 10 percent growth in the last 5 years and created 150,000 jobs per annum while large scale industries add 20000 jobs per annum that the cooperation societies have been revived and to date employ up to 80000 people. However, that 300000 people join the job market every year, therefore that the has introduced “Bonna bagaggawale” (all get rich or prosperity for all) program to enable each house hold earn at least 20 million per annum through training in modern agro practices, establishment of agro production export villages, among others. The focus here should be on starts up and small scale enterprises development.

1.2 Statement of the problem

Small Scale Enterprises not only represent the country’s major opportunities for industrialization, but also contributes significantly to sustainable development in the form of tax generation, generation of raw material requirements and offering of employment opportunities. Despite its critical role in the country, small scale enterprises in Uganda experience a high failure rate, further escalating an already bad situation in the country with more than 12% unemployment, and low level of indigenous industrial and technological development (UBOS, 2009). Success of an organization implies that it is meeting its goals and objectives in an effective and efficient manner, a sustained failure of which will have the impact of forcing an organization to close down, or change goals and objectives. Since strategies are central to success of businesses, and they are a product of business owners’ visions and business environmental conditionist is possible that deficiency in strategy approaches and strategic leadership could be a significant explanation of the failures of small scale enterprises in Uganda. Therefore, one can not expect an economy to have and develop sustained growth and

development if the environment is not conducive enough. This puzzle and concern then forms the basis of this investigation, with a view of coming out with conclusions and appropriate recommendations.

1.3 General Objective

To analyze the impact of management practices on the performance of small scale enterprise.

1.3.1 Specific Objectives of the study

To determine the effect of organizing to the performance of small scale enterprises.

To examine the role of planning to the performance of small scale enterprises.

To find out the relationship between leadership and performance of small scale enterprises.

1.4 Research Questions

What is the relationship between management through organizing on the performance of small scale enterprises?

What is the effect of management through planning on performance of small scale enterprises?

How does management through leadership determine the performance of small scale enterprise?

1.5 The Scope of the study

Time scope

The study was carried out from 2013-2014 onwards because usafi market was started two years back.

Geographical scope

The study was based in Usafi market found in Katwe, Kampala central division because of the numerous small businesses located there.

Content scope

The study focuses on management practices whose independent variables are organizing, planning and leadership as the factor that affects performance of small scale enterprises or business while holding other factors constant and the dependent variables were productivity, technological advancement and profitability

1.6 Significance of the study

To be a basis for further research that is, a side from the primary aim of a business which is making of profit, a business has all that social responsibility also of providing safe products to the consumers; the creation of employment opportunities; control of environmental pollution and provision of social needs of the society, does small businesses also offer corporate social responsibility to its customers?

To help in facilitating decision making by policy makers that is, Support towards small scale enterprises is critical. In this regard, the central Government should put in place a framework of policies and actions designed at supporting the establishment and growth of Small businesses through subsidies and tax waivers. The end result of this will significantly improve the

performance of small scale industries; improve SSEs chances to breakeven, as well as increasing the profitability margin - thereby enabling re-investment, resulting into business expansion and broadening employment opportunities in the country and the region at large. The study helped the researcher to identify current challenges affecting small scale businesses.

1.7 Justification of the study

According to the global entrepreneurship monitor report (2004) over one in every 3 adult Ugandan was engaged in some form of business. The report further posits that these businesses do not live to see their first birth day. For almost every 35 percent of small scale enterprises that close about 37 percent start new businesses again. As a result of these findings , the report ranked Uganda as the second highest in the terms of business start ups and ranked Uganda as the country with the highest business failure rate in the world(GEM report 2004). This leaves a gap to find out what affects the performance of small businesses in Uganda, a country perceived to have the highest small scale enterprises.

1.8 Definitions of key terms.

Leslie (2003) management is the form of work that involves coordinating an organizations resource that is land, labor and capital towards accomplishing organizations objectives.

According to Gareth (2003) management is the planning, organizing, leading, and controlling of human and other resources to achieve organizational goals effectively and efficiently.

According to Kinicki (2012) management is the pursuit of organization goals effectively and efficiently by intergrading the work of people through planning, organizing, leading and controlling the organizations' resources.

According to Leslie (2003) planning is the process of deciding what objectives to pursue during future time, Period and what to do to achieve those objectives.

According to Gareth (2003) planning is a process that manages use to identify and select appropriate goals and courses of action.

Gareth (2003), leadership is the process, by which an individual exerts influence over other people and inspires, motivates and directs their activities to help achieve group or organizational goals.

Donnelly (1997), leadership is the ability to persuade others to seek defined objectives enthusiastically.

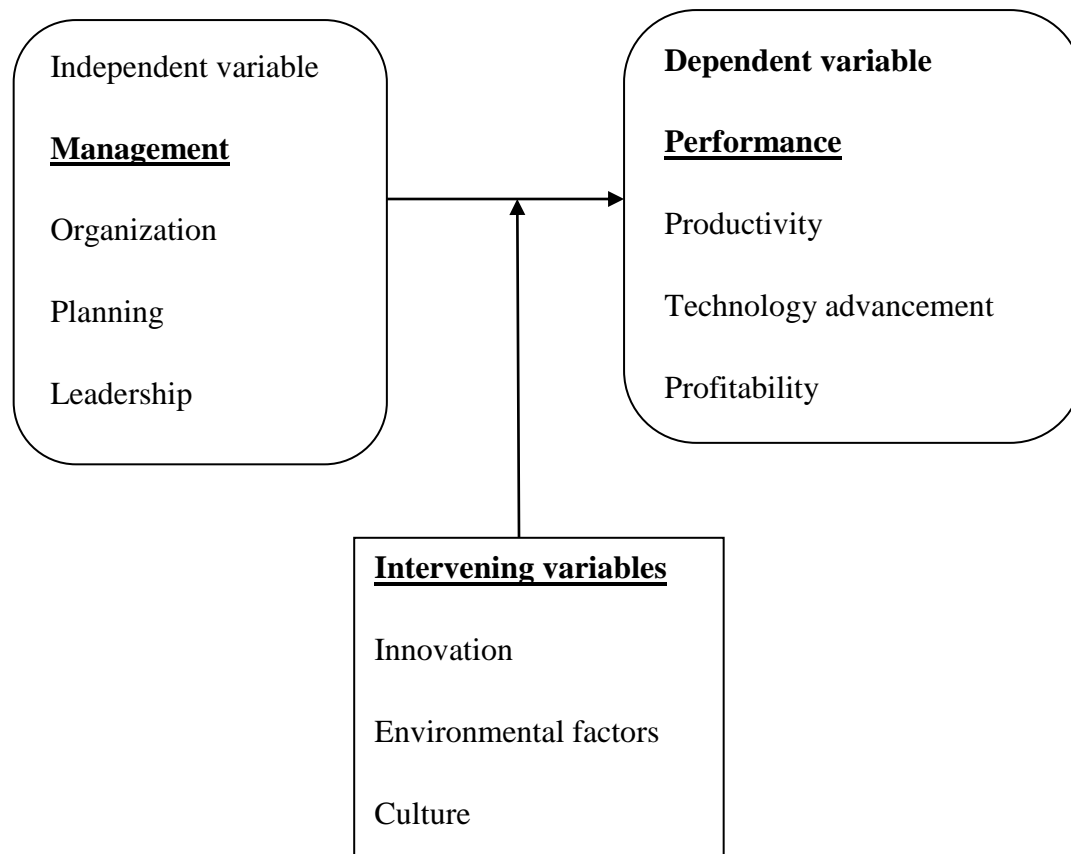
Dictionary of business, chartered institute of management and business (2003) organization is the social unit of people that is structured and managed to meet a need or pursue collective goals

Small scale businesses are characterized by single ownership controlled by one person with a limited liability and has no separate legal entity. In other words they cannot sue or be sued and have no government control (Balunywa, 2003).

1.9 Conceptual frame work

The conceptual frame work shows a linear relation ship between management practices as an independent variable and performance of small businesses as a dependent variable. It is hypothesized that management practices positively benefits the influence of performance of small businesses

Figure1.1: showing the independent variables, dependent variables and intervening variables



Source :Leslie W. R, Lloyd .B. 9th edition(2008), management skills and application

CHAPTER TWO

LITRETURE REVIEW

2.0 Introduction

This chapter will be concerned with review of related literature on how management has led to better performance of small scale enterprises. The management concepts and its different dimensions ad their applicability in this area will also be reviewed.

2.1 Theoretical review

Transformational leadership is "a process that is systematic, consisting of a purposeful and organized search for changes, and the capacity to move resources from areas of lesser to greater productivity" (Bass, 1990, p. 134). Visser et al. (2005) described transformational leadership as "the ability to inspire and motivate followers to achieve results greater than originally planned" . These descriptions emphasize that motivation of human resources leads to greater production and higher performance. Moving human efforts from areas of lesser to greater productivity motivates and inspires individuals to perform at their highest productivity. Transformational leaders work closely with employees and adapt their characteristics to achieve company growth and success. A transformational leader's behavior includes charisma, inspirational motivation, intellectual stimulation, and individualized consideration, Harrison, Jones, and Reiter-Palmon, 2005). In a successful organization, all individuals work for the same common goals and objectives. A transformational leader brings confidence from which individuals draw. When individuals believe in themselves, they create self-confidence to address any task assigned to them (Hesselbein, Goldsmith, and Beckhard, 1996). A follower receives the necessary resources from

a transformational leader to build self-confidence. Transformational leaders have the ability to move employees beyond their self-confidence so the employees commit to the organization's vision (McGuire & Kennerly, 2006). This management practice was crucial in small businesses because most of the small businesses are sole proprietor meaning they are leaders so they have to practice the theory so as to achieve the set goals

2.2 Conceptual review

According to Mullins (2010) Management is about coping with complexity. Its practices and procedures are largely a response to one of the most significant developments of the twenty century. Without good management, complex enterprises tend to become chaotic in ways that threaten their very existence. Good management brings a degree of order and consistency to key dimensions like the quality and profitability of products.

According to Gareth (2003) management is the planning, organizing, leading, and controlling of human and other resources to achieve organizational goals effectively and efficiently

Measuring business performance in today's economic environment is a critical issue for academic scholars and practicing managers. According to Smith and Reece (1999, p 153), business performance is defined as operational ability to satisfy the desires of the company's major share holders and it must be assessed to measure an organization's accomplishments

2.3 Themes in the study of objectives

Organization in the performance of small scale enterprise

Dictionary of business, chartered institute of management and business (2003) organization is the social unit of people that is structured and managed to meet a need or pursue collective goals. Mintzberg (1996) who said "Identification of the organization's vision and mission is the first step of any business. The business's vision sets out the reasons for its existence and the "ideal" state that the business aims to achieve; the mission identifies major goals and performance objectives. Both are defined within the framework of the organization's philosophy, and are used as a context for development and evaluation of the business. One can not over emphasize the importance of a clear vision and mission; none of the subsequent steps will matter if the Organization is not certain where it is headed, (Mintzberg,1996). Followed by Organizational culture is a system of shared values, assumptions, belief and norms that create the members of an organization. Organizational culture reflects employees views about the way things are done around here. The three levels of culture are visible culture which includes things people can hear, see, or feel such as formality of employees address.

According to Laurie (2001)Espoused values which represents a rationale for low decisions are made and basis core beliefs which represents such fundamental values as an assumptions that employees diversity matters and its important. Organizational culture performs several important roles in performance, It encourages employees to have a self – management by defining roles and expectations so that employees know what to do without having to be closely supervised, It promotes stability by providing a sense of continuity in midst of rapid changes, It furthers socialization by teaching employees the values of the organization and what is special about it, It

fosters strategy implementation by making possible for employees to commit to changes of strategy when the change is linked to the organizational cultural values.

Laurie (2001) went ahead to say Organization culture is sustained through the use of:

Cultural symbols;- acts, vents or objects that communication organizational values such as the use of open office that break down barriers to communication to support the values of communication, Business ceremonies activities or events that provide dramatic examples of these rewards and recognition for top performers.

Business heroes, role models who reflect what the business believes in:

Stories;- legends and narratives that capture an organization values.

Language;- the use of slogans or special vocabulary to remind employees on the organizations values such as always put the needs of your customer first.

Leadership;- provided by individuals who best represent the values of the culture such as Steve jobs, the founder of apple computer, a leader who passionately focuses on building insanely great products for customers.

Managers sense a need for organizational changes when there is a gap between desired and actual levels of performance. Forces for changes originate from the environment, including technology market or legal forces and social trends and from sources of internal to the organization including decisions made managers in the firm managers who advocate change must with sources of resistances which include employee self-interest, fear of uncertainty, opposing goals and perspectives on change and a culture that opposes the change. Lewins three step

models of organizational change by dealing with people's fears and anxieties, making the change and freezing that is encouraging new management practices and employee behaviors until they become a routine. Managers can implement change by communication and education, employee involvement, negotiation, coercion and top management support.

Mintzberg (1996) who said "Identification of the organization's vision and mission is the first step of any business. The business's vision sets out the reasons for its existence and the "ideal" state that the business aims to achieve; the mission identifies major goals and performance objectives. Both are defined within the framework of the organization's philosophy, and are used as a context for development and evaluation of the business. One can not over emphasize the importance of a clear vision and mission; none of the subsequent steps will matter if the Organization is not certain where it is headed.

Planning on the performance of small scale enterprises

Planning is the process that helps set objectives for future and map out activities and means that will make it possible to achieve those objectives.

Planning is intended to help managers set future objectives for the business and to develop the means necessary to reach the objectives. If properly conducted the planning process can offer many benefits to the firm. Ross A. Wirth (entarga .com, 2005), and (Thomas, 1988), state a list of some of the benefits that can be gained through implementing a planning process like Focus is placed on the important things. Resources (time, talent, money) are properly allocated to those activities that provide the most benefit (McGuire & Kennerly, 2006), Prove an awareness of the changing environment as a foundation for needed change, Analyze the internal business culture

and evaluate its impact on the company's performance, Recognize the impact the changing business environment is having on the company and affect the needed changes in direction, Become aware of the company's potentials in light of its strengths and weaknesses , Identify and analyze available opportunities and potential threats, May bring about a needed change of direction of the company, Strategic issues can be brought up for top management review, Able to set more realistic objectives that are demanding, yet attainable, A need for better information for decisions making may be recognized, Growth can be accelerated and improved, Poor performing areas can be identified and eliminated, Gain control of operational problems, Develop better communications with those both inside and outside the business, Provides a road map to show where the company is going and how to get there, the identification of factors that affect growth renewal and survival of the firm, Improved coordination of efforts across different organizational sub units, establishments of priorities, better understanding of the firms' environment and the factors that contribute to the past success of failure. Identification of resources to meet future business requirements', establishments of performance standards, to measure progress towards the achievements of objectives and skilled developments. At the same time however, there are a number of serious pitfalls to be avoided. The firm may develop a false sense that it can predict what will happen in the environment. Planning may become a bureaucratic exercise with a lot of paper work and little action and the plan may result into objectives that are not current and valuable to the firm. These pitfalls can be prevented by involving a cross section of managers from different organizational levels in planning process using a combination of numerical and judgment methods implying flexibility in the plans. Portraying the plans as means to an end other than an end to themselves. Focusing planning efforts of a manageable set of issues and allowing for a combination of formal and opportunistic planning so that there is proper balance between

long term direction and performance. The planning process includes several steps. The first is the establishment of objectives ideally objectives should be complete and measurable. Challenging with specific timetables and deadlines for accomplishments and clearly prioritized in terms of importance. The second step is to chart a course of action and secure necessary resources. At the strategic level, the primary purpose is to link the action plans of different organizational functions and units so that they can help support the business strategy adopted by the entire corporations. At tactical level, divisions or department must decide what activities should be performed, when those activities should be completed and what resources to allocate to accomplish them; this involves defining the responsibilities of job holders and controlling and allocating resources through the budgeting process. At operational level, employees are directly responsible for carrying out activities needed to develop systems to transform resource into products or services including a control component to ensure that quality and quantity of inputs and outputs meet established criteria within the budget constraints.

According to Cole (1992) Successful plan implementation requires three things. First managers must find means to accomplish the planned actions. This may be done through authority structures, persuasion, policy guidelines, and feedback mechanisms. Secondly, the firm has to develop a system for organizational problem solving. A six approach to facilitate problem solving includes identifying performance gaps, identifying tasks and work processes to accomplish the plan, determining the extent to which organizational elements support or hinder task attainment, creating alignment between plan and other organizational elements, the plan and learning the causes of performance gaps and adjusting plan. Thirdly, the business needs to establish mechanism to facilitate organizational change, managing individual resistance and maintains control during the transition period hence good performance.

Over the past two decades , research on business planning for the small businesses has shown that overall planning leads to better performance.(Ibrahim, Angelidis and Parsa,2004, Miller and Cardinal 1994, Schwenk and Shucrader,(1993).close examination of literature reveals a more complex picture of the relationship between planning and performance. The business planning literature focuses primarily on the type, nature and extent of the planning. Literature on the type of small business planning has focused on formalization, where formal planning involves written plans and non –formal planning has no written plans (Bracker and Pearson, 1986, Robison and Pearce 1983). Studies comparing businesses that engage in formal planning and those that engage in non formal planning find that formal planners out perform on growth of sales, but perform the same on return on investment and return on assets (Lyles, Bairds, Orris and Kuratko,1993, Rue and Ibrahim 1998). Miller and Cardinal(1994)conducted a meta-analysis of 26 studies that examined the relationship between planning and performance . the meta-analysis took into account seven contingency variables that is, firm size, capital intensity, level of turbulence the firms faced, industry effects, source of planning data, source of performance data and quality of assessment strategy. They indicated that firm size was not a significant predictor of the relationships between planning and performance as measured by either profitability or growth. However, they did find that when studies controlled for a number of other contingency variables, a stronger positive relationship was revealed between planning and performance. Studies that did not restrict the definition of planning to only written plans revealed statistically significant relationships between planning and performance. The most common concepts about the nature of business planning with the literature were such items as the following, formulation of target objectives to be achieved, strategies to achieve those goals, financial planning, statement of the firms mission, written long range strategic plans, assessment of external factors

that serve as inputs cited by Ibrahim, Angelidis, and Parsa, (2004). Mathews and Scott(1995), Perry 2001, Robinson and Pearce, 1983, Rue and Ibrahim(1996). Two of these studies found that small businesses engage in more sophisticated planning than were anticipated. More than 80 percent of small businesses used some type of long-range written plans (Ibrahim, Angelidis and Parsa ,2004 , Rue and Ibrahim 1996).

Leadership and performance of small scale enterprises

According to Gareth (2007), leadership is the process by which an individual help achieve group or organizational goals.

Leadership is the process of transforming organizations from what they are, to what the leader would have them become.

Small businesses are needed for future economic growth, consumer stability, and full employment (Fuller, 2003), as profitable and successful small businesses contribute to increasing the Uganda's GDP and national employment. Between 2000 and 2003, the number of small construction businesses and their related employment dropped (Fuller, 2003). Insufficient profits, inefficiency, and poor productivity were other internal administrative factors contributing to failures (Arditi et al., 2000). The human factors consisted of lack of business knowledge, lack of managerial experience, and poor working habits. Chen (2004) suggested that these types of organizational inequities emphasized the need for leadership and personal commitment from organizational decision makers, which are critical for organizational success. Arditi et al. supported Chen's statement by indicating that human and internal factors influenced the outcome of the transformation process and determined the success or failure of the organization. With

increasing numbers of small businesses available, it is essential that small businesses establish robust leadership to avoid failure (Tulacz, 2007). The small business leader is responsible for motivating employees to embrace the organization's vision to achieve organizational goals and objectives.

According to Gomez-mejia(2011) said ,In today's chaotic world, few would argue against the need for leadership but how does one go about encouraging it. To compete in the global market places, small enterprises need to have strong and effective leadership. This involves the active process of both creating and implementing proper strategies. A small scale enterprise which is a major engine of growth in Uganda's economy because of their contribution to job creation and innovation must rely on strategic principles to be successful. To remain competitive, they must continually seek out opportunities for growth and new methods for strategically reviewing their performance. Launching a new venture requires a special kind of leadership. It involves courage, belief in ones convictions and the energy to work hard even in difficult circumstances. Small business owners work for themselves. They don't have bosses to inspire them or tell them what to do. Their next pay cheque arrives only as a result of their own effort. They must oversee all aspects of a business operations as well as monitor quality and performances yet these are very challenges that motivate most business owners. Small scale enterprises owners put themselves to the test and get their satisfactions from acting independently, overcoming obstacles thriving financially. To do so, they must embody three characteristics of leadership that is: vision, dedication, and drive and commitment. To excellence and pass these on to all those who work with them

Vision: may be small enterprise owners most important assets. The owner has to envision realities that do not yet exist, this may consist of a new product or a unique services. It may include a competitive goal such as besting a close competitor. For many, the vision may be personal, building something from scratch being ones boss , making a difference, achieving financial security, in any case, these small enterprises, people must exercise a kind of transformational leadership that aims to create something new and something new and in some way change their world. Not all founders of new ventures succeed, indeed, the majority fails but without a vision, most new ventures would never ever get off the ground. The idea of creating something new is captured in the vision.

Dedication and drive: Is a key success factor for the start ups. Dedication and drive are reflected in hard work. They require patience, stamina and a willingness to work long hours. One of the key reasons that start up business fail is that the founders lack commitment and neglect the business thus drive involves internal motivation while dedication calls for intellectual commitment to the enterprise that keeps the business owner going. Even in the face of bad news or poor luck, small enterprise owners typically have a strong enthusiasm not just for their venture but for life in general, as a result, their dedication and drive is like a magnet that draws people to the business and builds confidence in what they are doing.

Successfully managing the many elements of start requires commitment to excellence. Small enterprise owners sometimes launch businesses without understanding what it will take to succeed. One of the major causes of business failure is managerial incompetence, too many business owners don't have a serious appreciation of their strategic implication behaviors.

Another source of problem is insensitivity to the needs of customers and their stake holders. To achieve excellence, therefore, venture founders and small business owners must:

Understand the customer, Provide quality products and services, Manage the business knowledgeably and expertly, Pay attention to details and continuously learn.

To compete in the global market place, small enterprises need to have strong and effective leadership. This involves the active process of both creating and implementing proper strategies. The activities in which leaders through out the business must be involved to be successful in creating competitive advantage are:

Setting a direction: leaders need a holistic understanding of business stake holders. This requires an a ability to scan the environment to develop a knowledge of business stakeholders for example customers, suppliers and other salient environmental trends and events and integrate this knowledge into a vision of what the business cold become, it nessiates the capacity to solve increasingly complex problems, become proactive in approach and develop a viable strategic options. Developing a strategic vision provides many benefits like:

A clear future direction; a frame work for the organizations mission and goals, Enhanced employee communication, participation and commitment.

According to Donnelly (1997)Designing the organization: leaders must be actively get involved in building structures, teams, systems and organizational process that facilitate the implementation of strategic vision. Leaders must also create a learning environment which has become particularly important in today's competitive environment which is increasingly unpredictable, dynamic and interdependent; clearly every one must be involved in learning. The

key elements of learning are inspiring, and motivating people with a mission or purpose, empowering employees at all levels, accumulating and sharing internal and external information and challenging the status quo to enable creativity.

Nurturing a culture dedicated to excellence and ethical behavior: the benefit of having an ethical business are many, in addition to financial benefits, it can enhance human capital and help to ensure positive relationships with customers, suppliers, society at large and the government agencies.

The roles of a leader are creating a vision, direction, goals (Gardener, 1990, Bennis 1989, Kotter 1992) communicating with followers (Gardner, 1990, Bennis 1989, Mariotti 1999) motivating and empowering (Gardener 1990, Kotter 1990) affirming values (Gardner 1990, Freberg 1998) aligning people management of meaning, achieving workable unity, management of trust (Gardner 1990, Kotter 1990, Bennis 1989, Gardner 1997) .

A leader is anyone who directs and controls a group of people to achieve a set purpose. However, social organization has many leaders operating at the same time. They may be rivals but share the various leadership functions of planning, directing, reviewing and coordinating. Circumstances may cause changes in leadership pattern thus leading to classification of leadership based on how it's performed (Hicks and Gullet, 1975, Riggio and Conger 2007). He stated that there might be two types of leaders:

Unofficial leader: this leader is often not important in an organization though the power ascribed to such leader may rise and fall.

Official leader: the individual holding this position is officially given charge over the subordinates who should be directed and controlled. The subordinates need to be led to value the rewards they obtain from their work; this could be money, friendship, status, approval or a combination of these. In most cases, official leaders could be called supervisors or managers and they serve the power to reward or punish. To a larger extent, the success of such leadership depends on experience and teachers virtuosity, but on their management style at a greater extent. Leadership ability is unquestionable that there are unlimited researches on how people acquire leadership ability, how people acquire leadership ability, however, the aristocrats believe that it's in borne (in blood) just like monarchy. Most work known today attempts to describe leadership act and techniques, theories about why leaders emerge, understand people and the dynamics of the interpersonal relations both near and far there exist highly talented people with leadership ability. Various informal groups preparatory to university, family to social institutions, traditional settings to modern settings all have distinguished set of people who have demonstrated superior leadership act. However, teaching this process. Leadership could be said to be dynamic because it varies with circumstances and individual involved. It is also said to be personal because of interpersonal influences allowed. However this process could be attributed to the fact that leadership is a dynamic personal process (Gerhard 2003). However, because the underlying motives of those who set up in business on their own vary so widely, the question of what is or is not successful business is difficult to answer. For many small scale business owners, their ability, year by year to pay their way and to keep their heads above water is enough. Their personal satisfaction comes from their high degree of independence or their freedom to develop their personal skills and ideas. If they are satisfied with their own progress and they contribute, however modestly to the wellbeing of the community they serve who shall say they are not

successful (Elvy 1984). Business owners should not turn themselves into jack of all trade but allow others to use their initiatives in some of the areas where they can display superior competence; this will further enhance leadership role and freedom to use individual discretion at some specific levels thereby ensuring high performance and productivity at the same time. Riggio et al, 2008) were of the opinion that free flow of information and use of low imitative by the staff will create good fellowship and mentoring will not be difficult. It's well known fact that employees come into the organization because they believe that their personal goal could be met while they strive to help achieve the organizations objectives. It's expected that the owners of small scale organizations should recognize the needs of their workers employ appropriate motivational tool such as promotion of staff based on merit and skills. Provide suitable working environment and provide appropriate leadership still that will encourage free flow of information among employer, superior officers and other employees (Idowo, 2007). Good motivation is critical for achieving organization objectives which can only be achieved when leaders show understanding of the needs subordinates. It will then provide energy and focus needed to drive the organization. This view was supported by Hill and Line back (2011) that says this kind of human relation with the small business owners will be a critical factor that an determine an employee's level of engagement with work.

Leadership in small businesses.

Leadership theory has been examined over the years in various research studies. The general view of leadership is that success or failure in producing results depends on the character of the leader's personal traits, culture, and behavior and not on any generalized concept of leadership (Wren, 1994). Effective leadership is viewed as essential for organizational success (Hernez-

Broome & Hughes, 2004). Years of leadership research has shown that not all organizational leaders have the same leadership styles in achieving success (Bass, 1990). Previous researchers sought to discover only one or two leadership attributes that were common for all extraordinary leaders (Zenger & Folkman, 2002), but found there was no single leadership pattern that guided all organizations or all leaders within successful organizations. Small business leaders have a strong influence on how employees achieve organizational goals (Peters, 2005). Small business leaders need a better understanding of leadership styles to show development and progress in achieving the organization's goals and objectives. Research on small businesses provides the small business leader and owner the understanding of what leadership activities are necessary to position the organization to achieve its goals and objectives. Small business leaders establish the working atmosphere of their business through their leadership style. Leaders of small business organizations must manage all business and operational functions. Leadership has an important role in organizational effectiveness (Howard, 2006; O'Regan et al., 2005). Lack of employee empowerment creates unsatisfied employees who may not work toward achieving organizational goals and objectives. Leadership is crucial in holding together a healthy work environment (Shirey, 2006, pp. 256-268). Encouragement from leaders gives employees inspiration to achieve personal satisfaction. Giving employees the authority to make decisions demonstrates flexibility in leadership, which O'Regan et al. viewed as an attribute of transformational leadership style and a critical factor for increasing profitability in the small business. Structure in a small business is usually informal or flat, which allows all employees to have a better understanding of the daily business operations. Nonperformance of leadership responsibilities shows the leaders' inability to achieve profitability and success, which leads to failure.

Categories of leadership styles

Given the nature and consistency of change in our economic environment and the challenges facing small businesses, leadership is essential for making the right decisions to succeed (Bennis, 2000). Small businesses required strong leadership. Robust leaders conquer the volatile, turbulent surroundings that sometimes suffocate small businesses. The slow suffocation of a small business starts its downward spiral to failure (Bennis,2000).

Transformational leadership is "a process that is systematic, consisting of a purposeful and organized search for changes, and the capacity to move resources from areas of lesser to greater productivity" (Bass, 1990, p. 134). Visser et al. (2005) described transformational leadership as "the ability to inspire and motivate followers to achieve results greater than originally planned" (p. 53). These descriptions emphasize that motivation of human resources leads to greater production and higher performance. Moving human efforts from areas of lesser to greater productivity motivates and inspires individuals to perform at their highest productivity. Transformational leaders work closely with employees and adapt their characteristics to achieve company growth and success. A transformational leader's behavior includes charisma, inspirational motivation, intellectual stimulation, and individualized consideration (Harland, Harrison, Jones, and Reiter-Palmon, 2005). In a successful organization, all individuals work for the same common goals and objectives. A transformational leader brings confidence from which individuals draw. When individuals believe in themselves, they create self-confidence to address any task assigned to them (Hesselbein, Goldsmith, and Beckhard, 1996). A follower receives the necessary resources from a transformational leader to build self-confidence. Transformational leaders have the ability to move employees beyond their self-confidence so the employees

commit to the organization's vision(McGuire&Kennerly,2006).A transactional leader exchanges the wants of a leader for the wants of an employee. The wants of employees are considered their needs. A transactional leader satisfies employee needs through recognition and rewards for tasks performed for the organization (Shriberg et al., 2002). Individuals receive rewards for achieving the goals of the organization through their performance, with the help of the transactional leader. Bass (1990) supported Shriberg et al(2002)., stating the leader provides a benefit for the individual and in return, the individual provides the leader with the highest performance, innovation, and achievement of the organization's goals and objectives. The transactional leadership style ensures that individuals have the proper resources and knowledge to perform the tasks needed for organizational success. In return, individuals are rewarded for their efforts and accomplishments. This relationship between the individual and the transactional leader supports the meaning of exchange between the leader and individual (Tarabishy, Solomon, Fernald, & Sashkin,2005).

A transactional leader expresses positive outcomes to employees for performing their duties and also focuses on employee mistakes and complaints. Leadership drives the success of a small business, and thus, is essential for accomplishing organizational success (Harland et al., 2005). The transactional leader sets the path and direction needed to obtain these goals and objectives. Rewards are used so individuals concentrate on the tasks and duties of the organization. Transactional leaders emphasize process development in setting goals, directing, and striving to manipulate and control the situation (Mc Guire and Kennerly,2006). McGuire and Kennerly (2006) described the laissez-faire leadership style as ineffective in promoting purposeful employee communication and said it contributes to an organization's demise. Under this

leadership style, no one takes responsibility for achieving the organization's goals and objectives. Eagly et al. (2003) indicated laissez-faire leadership style was marked by failure in taking responsibility to lead an organization toward its goals, objectives, and vision. Lack of leaders responsibility leads to employee self-teaching, employee freedom to act accordingly, and leaders who do not care about organization results (Bass, 1990). A laissez-faire leader's behavior focuses on remaining uninvolved, avoiding decisions, and delaying responses to employees' questions (Harland et al., 2005). Employees need guidance to be effective in their performance. Employees not performing at their ability lead to organizational non-profitability. Within such a leadership atmosphere, the organization operates by itself. Some small businesses use this leadership because the owner and leader lack knowledge and understanding of the industry environment. Laissez-faire leadership style is detrimental to individual performance. All individuals need motivation, encouragement, and direction in achieving the organization's goals and objectives. Without motivation, encouragement, and direction, the individual becomes non-productive (Bass, 1990). Management is about coping with complexity. Its practices and procedures are largely a response to one of the most significant development of the twenty century. Without good management, complex enterprises tend to become chaotic in ways that threaten their very existence. Good management brings a degree of order and consistency to key dimensions like the quality and profitability of products.

Firms manages complexity first by planning and budgeting—setting targets or goals for the future (typical for the next month or year), establishing detailed steps for achieving those targets, and then allocating resources to accomplish those plans, by contrast, leading an organization to constructive change begins by setting a direction—developing a vision of the future (often the distant future) along with strategies for producing the changes needed to achieve that vision.

Management develops the capacity to achieve its plan by organizing and staffing—creating an organizational structure and set of jobs for accomplishing plan requirements, staffing the jobs with qualified individuals, communicating the plan to those people, delegating responsibility for carrying out the plan, and devising systems to monitor implementation. The equivalent leadership activity, however, is aligning people. This means communicating the new direction to those who can create coalitions that understand the vision and are committed to its achievement.

Finally, management ensures plan accomplishment by controlling and problem solving—monitoring results versus the plan in some detail, both formally and informally, by means of reports, meetings, and other tools; identifying deviations; and then planning and organizing to solve the problems. But for leadership, achieving a vision requires motivating and inspiring—keeping people moving in the right direction, despite major obstacles to change, by appealing to basic but often untapped human needs, values, and emotions.

In essence, management as a process is rooted in the interactions of people at work directed towards maximization of efficiency scarce resources, labour, machineries, raw materials and information.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter represents the methods that were employed when carrying out the study. This section includes the research design, area of study, study population, sample size, sampling techniques, data collection methods, data collection instruments, quality control, measurement of variables, analysis and presentation, ethical issues and study limitation.

3.1 Research Design

The researcher employed a case study design. This is because it helps to give a detailed examination of one setting, or a single subject, single depository of documents or one particular event (Amin, 2005). The study employed both qualitative and quantitative approaches to be used in data collection process. The study will take place on a descriptive research design. This design will be because it involves picking representative sample of the population at a cross section of the population of the area over short period of time. While carrying out the study, both quantitative and qualitative techniques will be employed to assist in the data collection process. The qualitative methods focused on collecting descriptive information especially from those working as management and business owners while quantitative methods focused on infernal statistics with the view of developing tables and graphs.

3.2. Area of the study

The study was conducted in Usafi market found in Katwe central division, Kampala district because of numerous small scale businesses like food court and perishables, garments and foot wear, crafts and furniture.

3.3. Study population

This comprised of the business owners of the small scale enterprises in Usafi market and the management of usafi market. The researcher also used the Krejcie and Morgan (1970) to determine the total population of 80 respondents.

According to observation, there are very many small scale enterprises providing goods and services to the market and therefore a few respondents were selected using random sampling that was comprised of the population of the study and there was an attempt to collect data from all these respondents. On the other hand, there was a concurrent collection of data from the management who ensured that the vendors enjoyed their transaction while at usafi market.

3.4. Sampling procedures

3.4.1. Sample size

The study targeted a population of 100 vendors who were registered with Usafi market . The sample size of 80 respondent was appropriate since it fell within the Krejcie and Morgan (1970) sampling model.(Sekaran , 2000) , simple random sampling technique was used to identify elements due to limited time, the researcher managed to involve 75 respondents in the research.

3.4.2 Sampling techniques

The sample techniques are processes for selecting suitable or representative part of population for the purpose of determining characteristics of the whole population. The selection of sample vendors was based on non probability sampling technique because the population is homogenous. And researcher used purposive sampling and stratified random sampling to choose specific respondents basing on their familiarity with the subject and their ability to give information.

3.5. Data collection methods and instruments

3.5.1 Data sources

The researcher used both primary and secondary data. Primary data included questionnaire, interviews

3.5.2 Data collection instrument

3.5.2.1 Questionnaire

Questionnaire is a reformulated written set of questions to which respondents record their answers, usually within closely defined alternatives. These are questions in line with the study objectives. The questionnaires was used on basis that the variable under study could be observed for instance the views, opinions, perceptions and feelings of the respondents. The researcher chose the questionnaire because the study was descriptive and tool was an easy method of data collection. It was also time saving and cost effective.

3.5.2.2 Interview guides

An interview is a dialogue between an interviewer and interviewee and an organized conversation aimed at gathering data about a particular topic (Amin, 2005). The researcher interviewed using pre- designed interview guide schedule (both close and opened ended questions) to collect data from key informants who were top management and vendors in usafi market. This data assisted in clarifying data collected by the structured questionnaires since it involved a face to face interaction and it also provided a whole range of views.

3.6 Quality control methods quality

3.6.1 Validity

The validity of the study was concerned with the extent to which data collection instruments accurately measure what they intend to. Validity refers to the appropriateness of the best instrument in collecting the data that is supposed to be collected. While reliability refers to its consistency in measuring whatever it is intended to measure (Amin, 2005). Validity was measured by both content and faces validity. Face validity is a property of a test intended to measure something. It is the validity of a test of value. In other words, a test can be said to have face validity if it looks like its going to measure what is supposed to measure.

Content validity measures the extent to which the content of the instrument corresponds to the content of the theoretical frame work of the study (Amin 2005). Here, the expert views were obtained by talking to experts both academicians and practioners in the field management practices. These were required to comment on the relevance of the questions in the instruments. Content validity was assessed by using the questionnaire which measured the same concepts. If

the measurements are consistent with the theoretical expectation, then the data had construct validity.

3.6.2 Reliability

Reliability refers to its consistency in measuring whatever it is intended to measure (Amin, 2005). The researcher ensured that the instruments minimize random error and hence increase the reliability of the data collected. The reliability of the questionnaires was improved through testing and re-testing, pre-testing of pilot samples from respondents. In order to measure reliability, a score obtained in one item is correlated with scores obtained from other items in the instruments. This enabled the re-phrasing of some questions.

Variables	Number of cases	Alpha value
Iv and Dv	5	0.798

SOURCE: Primary data 2014

According to Sekeran 2003/2005 data is reliable if it is 0.6 and above

3.7. Data management and processing

Measurement of variables

3.8 Data analysis and presentation

3.8.1 Quantitative data

The researcher collected data, coded it and classified them into categories. The data was edited and entered into data editor of Statistical Package for Social Scientists (SPSS) software for analyzing according to the objectives of the study using tables, graphs and figures.

3.8.1 Qualitative data

Qualitative data was processed into a manageable form and a narrative constructed around it (Amin 2005). Qualitative data was obtained by way of an interview guide and these were to reinforce information gathered using the questionnaire to draw meaningful conclusions. Examples were used in the narrative in order to review trends and compare the respondent opinion of the issues being discussed.

The researcher also contacted the respondents for clarifications where necessary. Examples were used in the narrative in order to review trends and compare the respondent opinion of the issues being discussed.

3.9. Researcher ethical considerations

When carrying out research the following considerations were followed:

- i) Voluntary informed consent will be sought from the respondent in order for them to grant the opportunity participate in the research.

- ii) Confidentiality of the respondent will be respected and respondents will be informed that all the information will be used strictly for academic purposes every attempt will be made to ensure the respondent are requested to participate in the research in an environment that is conducive for them.
- iii) Permission was sought from relevant organ to collect data

3.10 Limitations of the study

- I. The study population included busy respondents who were not willing to be interviewed.
- II. The respondents withholding information due to fear of being victimized, the researcher convinced the respondents that the information they give was to be kept confidential and was to be used for academic purposely only.
- III. Unwillingness of the respondents to fill questionnaires. The researcher was in liaison with the respondents and made sure reminders are sent to them to fill the questionnaires.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 INTRODUCTION

This chapter presents the analysis and discussion of the findings of the study. The study is aimed at exploring the management practices and performance of small businesses in Usafi market. The focus is to determine the effect of organizing to the performance of small scale enterprises, examine the role of planning to performance of small scale enterprises and to determine the role of leadership and performance of small scale businesses in Usafi market.

4.1.0 BACKGROUND INFORMATION

4.1.1 .Gender category of respondents

Frequency tabulation was used by the researcher to present the gender distribution of the respondents. This is as shown in the table below.

Table 1 showing the gender of respondents

	Frequency	Percent
Male	40	53.3
Female	35	46.7
Total	75	100.0

Source: Primary Data2014

From the table above, it was found out that majority of respondents who provided information were male 53.3% whereas 46.7% were female respondents. According to the table, more male were engaged in small scale businesses in Usafi market.

4.1.2 Age of respondents

Frequency tabulation was used by the researcher to present the age group of the respondent

This is shown in the. Table 4.2 below presents

Table 2 showing the age group of respondents.

	Frequency	Percent
18-24 years	27	36.0
25-29 years	20	26.7
30-34 years	17	22.7
35-39 years	3	4.0
40 years and above	8	10.7
Total	75	100.0

Source: Primary data 2014

From the results in table above, 36.0% of the respondents were between 18-24 years, 26.7% were between 25-29 years, 22.7% were 30-34years, 4.0% were 35-39 years and 10.7% were 40 years above. This implied that most small-scale business owners at USAFI were youth who are very energetic to create businesses.

4.1.3 Education level

Frequency tabulation was used by the researcher to present the education level of the respondents. This is shown in the table below.

Table 3 showing educational level

	Frequency	Percent
no education	7	9.3
Primarily	7	9.3
Secondary	5	6.7
Certificates	8	10.7
Diploma	16	21.3
Bachelors	32	42.7
Total	75	100.0

Source: primary data 2014

Table above shows that 9.3% of respondents had no education, 9.3% respondents were ended in primary level , 6.7% ended at secondary level, 10.7% were certificate holders 21.3% were diploma holders and 42.7 %held degrees . The findings implied that most small scale business owners at USAFI are degree holders given the dynamics in the job market in Uganda, most people resort to small scale businesses after some level of education.

Kyeyune (2007) relates the survival of businesses basing on the education level of those behind them. He noted that the individuals who are educated can easily pave ways through which businesses can survive. They can calculate risks and plan for their businesses unlike those business people without business background.

4.1.4 Respondents' position

Frequency tabulation was used by the researcher to present the respondents position in the business. This is shown in the table below.

Table 4 showing respondent's position in business

	Frequency	Percent
Owner	42	56
Employee	35	44
5	1	1.3
Total	75	100.0

Source primary data 2014

The results from table above showed that 56% of the respondents were business owners, 44% of respondents were employees. The results implied that the majority of the people operating small businesses actually were owners so this meant that people were innovative, creative and job makers and not job seekers, and also they were sole decision makers and really received advise from other stakeholders where in then event that wrong decision making is done, then this would have a great effect on the firms.

4.1.5 Registration of businesses

Frequency tabulation was used by the researcher to present the registration of respondents. This is as shown in the table below

Table 5 showing registration of respondents business

	Frequency	Percent
not registered	25	33.33
Registered	50	66.7
Total	75	100.0

Source: primary data 2014

The table above revealed that 66.7% of small businesses were registered and 33.3% small businesses were not registered. This implied that small businesses were getting involved in registration which makes its supervision easy by government stake holders like URA.

4.1.6 Description of the business

Frequency tabulation was used by the researcher to present the description of respondents business. This is shown in the table below.

Table 6 showing description of the respondent business

	Frequency	Percent
sole proprietorship	47	62.6
Partnership	25	33.3
limited company	3	4
Total	75	100.0

Source: primary data2014

The results from table above showed that 66.2% of the respondents were sole proprietors, whereas 33.3% respondents were dealing in partnership and 4% respondents dealt in limited companies. The results implied that the majority of the small business operators were involved sole proprietorship or owners and this meant that people are now gaining the culture of creating their own employment which was being emphasized by the government which is a good sign.

4.1.7 Nature of the business

Frequency tabulation was used by the researcher to present the nature of respondents business. This is shown in the table 4.7 below.

Table 7 showing the nature of respondent business

	Frequency	Percent
garments and foot wear	16	21.3
food court and perishables	19	25.3
craft and furniture	11	14.7
Beverages	14	18.7
household and stationary	5	6.7
hard ware and electronics	10	13.3
Total	75	100.0

Source: primary data 2014

The researcher noted that many of the respondents dealt in food court and perishables with a biggest percentage of 25.3% followed by those dealing in garments and footwear at 21.3%. those dealing at craft and furniture at 14.7%, beverages at 18.7% ,household and stationary at 6.7% and hard ware and electronics at 13.3% and actually they practiced management practices like

planning, leading and organizing because the respondents were dealing in the businesses they were interested in.

4.1.8 number of employees in the business

Frequency tabulation was used by the researcher to present the number of employees. This is shown in the table 4.8 below.

Table 8 showing number of employees in the business

	Frequency	Percent
2-5 employees	33	44
5-10 employees	15	20.0
10-30 employees	17	22.7
30-50 employees	10	13.3
Total	75	100.0

Source: primary data 2014

According to the results from table above, the majority of the small businesses employed 2-5 employees at 44% whereas, 20.0% of the SMEs employed 5-10 employees, 22.7% of the small businesses employed 10-30 employees and 13.3% SMEs employed 30-50 employees. This implied that majority of the SMEs employed 2-5 employees or less which is confirmation that most of the Small businesses were still small in size and their output in terms of financial resources was not enough to sustain a big number of employees

4.1.9 Longevity of the business

Frequency tabulation was used by the researcher to present the longevity of the business. This is shown in the table below.

Table 9 showing the longevity of the business

	Frequency	Percent
1-5months	8	10.7
6-10months	15	20.0
1 year	24	32.0
2 years and above	28	37.3
Total	75	100.0

Source: primary data 2014

37.3% of the business were started 2years and beyond, 32.0% was started one year back, 20.0% was started between 6-10 months and 10.7% were started 1-5 months.

A study by Bates and Nucci (1989) confirmed that the age and size of the firm had an Impact upon survival. The older the firm, the more likely it was to remain in business, and the larger the firm, the more likely it was to be successful. Boyle and Desai (1991) also pointed out that statistics have shown that the longer a small business has been in operation, the better the chance that it will stay in business. Success breeds success. This was confirmed in the above statement where the researcher found out that the biggest numbers of businesses were 2years and above who had a percentage of 37.3%

4.2.10 Understanding a customer's need is very important

Frequency tabulation was used by the researcher to present Understanding a customer's need is very important. This is shown in the table below.

Table 10 showing Understanding a customer's need is very important

	Frequency	Percent
strongly disagree	6	9.3
Disagree	11	14.7
not sure	5	6.7
Agree	17	22.7
strongly agree	35	46.7
Total	75	100.0

Source: primary data 2014

46.7% strongly agreed with the above statement that understanding a customer's need was very important, 22.7% agreed with the statement, 6.7% were not sure, 14.7% respondents disagreed and 9.3% strongly disagreed with the above statement because during an interview with Jane a mobile money agent said "the reason why she was operating at Usafi market was because she was targeting the passengers who used taxis at Usafi taxi park and the customers and vendors who withdraw money to carry out the different transactions".

4.3.1 Set mission, vision relates to the achievements in small scale businesses goals

Frequency tabulation was used by the researcher to present set mission, vision relates to the achievements in small scale business goals .this is shown in the table below

Table 11 showing set mission, vision relates to the achievements in small scale business goals.

	Frequency	Percent
strongly disagree	8	10.7
Disagree	10	13.3
not sure	13	17.3
Agree	30	40.0
strongly agree	14	18.7
Total	75	100.0

Source: primary data2014

40.0% of respondents agreed with the above statement explaining the importance of setting mission, vision to ensure that the business achieved its set objectives goals basing on the basing on the mission and vision set., 18.7% strongly agreed, 17.3% were not sure ,13.3% disagreed and 10.7% strongly disagreed and goals . This was supported by an author named Mintzberg (1996) who said “Identification of the organization's vision and mission is the first step of any business. The business's vision sets out the reasons for its existence and the "ideal" state that the business aims to achieve; the mission identifies major goals and performance objectives. Both

were defined within the framework of the organization's philosophy, and are used as a context for development and evaluation of the business”. One can not over emphasize the importance of a clear vision and mission; none of the subsequent steps will matter if the Organization is not certain where it is headed, that’s why the greatest respondents agreed with the statement setting vision, mission relates to the achievement of the goals of small businesses.

4. 3 .2 Book keeping of records is a must.

Frequency tabulation was used by the researcher to present book keeping of records is a must by small business operators. This is shown in the table below

Table 12 showing book keeping of records is a must by small business operator

	Frequency	Percent
strongly disagree	5	6.7
Disagree	16	21.3
not sure	15	20.0
Agree	25	33.3
strongly agree	14	18.7
Total	75	100.0

Source: primarydata2014

33.3%respodentsagreedthat book keeping is a must by small business owners, 21.3%respodents disagreed20.0% respondents were not, 18.7%respodent strongly agreed and 6.7% strongly disagreed.

Book keeping of records basically was for accountability purposes which is very important. 33.3% of respondents agreed with the above statement and this were evidenced by the researcher

where some respondents actually showed me their manual ledger books and others who had electronic ones showed the researcher as well. These books contained their daily expenses, sales, and payments on cash and those on credit which was a good sign for accountability. The problems affecting the business could be traced due to high level of book keeping culture among the respondents.

4.3 .3 The culture of stocking goods in time has led to good performance of our business

Frequency tabulation was used by the researcher to present the culture of stocking goods in time has led to good performance of our business.

Table 13 showing the culture of stocking goods in time has led to good performance of our business

	Frequency	Percent
strongly disagree	13	17.3
Disagree	4	5.3
not sure	13	17.3
Agree	16	21.3
strongly agree	29	38.7
Total	75	100.0

SOURCE: PRIMARY DATA 2014

38.7% respondents strongly agreed with the statement of the culture of stocking goods in time has led to good performance of our business,21.3% of respondents agreed,17.3% respondents were not sure and 5.3% respondent strongly disagreed.

Stocking in time is one of the key indicators of business that is involved in management practices. The greatest number of respondents which was 38.7% strongly agreed that the culture of stocking goods in time has led to good performance of their businesses. This acknowledges the fact that there is the culture of stocking goods in time by business people in Usafi market .this was evidenced by the researcher upon an interview with a respondent who showed me a store full of electronic appliances ready for sell. However the vendors who deal in food courts and perishables strongly disagreed with the above statement , actually they used the example of the changing climate and weather patens or rainy seasons that especially during the dry seasons they can not stock up their shops because at that time few farmers are there to supply them with the goods hence creating scarcity and during rainy season which is harvesting time, there can be a lot of suppliers and they stock what is enough since they do not have refrigerators, coolers, heaters to preserve the goods.

4.4.1 Employees work to achieve the set objectives.

Frequency tabulation was used by the researcher to present employees work to achieve the set objectives. This shown in the table below

Table 14 showing employees work to achieve the set objectives.

	Frequency	Percent
strongly disagree	17	22.7
Disagree	7	9.3
not sure	8	10.7
Agree	13	17.3

strongly agree	30	40.0
Total	75	100.0

SOURCE: PRIMARY DATA 2014

40.0% respondent agreed that employees work to archive the set objectives, 22.7% strongly disagreed, 17.3% respondent agreed, and 9.3% respondent disagreed.40% of the respondents in the market strongly agreed with the above statement because when they employed their workers, they had to inform them about their plan and what was expected of them by their bosses so they work hard towards the attainment of the goals and objectives of the business. Ross A. Wirth (entarga .com, 2005), and (Thomas, 1988), state a list of some of the benefits that can be gained through implementing a planning process like Focus is placed on the important things. Resources (time, talent, money) are properly allocated to those activities that provide the most benefit, Prove an awareness of the changing environment as a foundation for needed change, Analyze the internal business culture and evaluate its impact on the company's performance, Recognize the impact the changing business environment is having on the company and affect the needed changes in direction, Become aware of the company's potentials in light of its strengths and weaknesses , Identify and analyze available opportunities and potential threats, May bring about a needed change of direction of the company, Strategic issues can be brought up for top management review, Able to set more realistic objectives that are demanding, yet attainable, A need for better information for decisions making may be recognized, Growth can be accelerated and improved, Poor performing areas can be identified and eliminated, Gain control of operational problems, Develop better communications with those both inside and outside the business, Provides a road map to show where the company is going and how to get there. While the rest of the respondents were negative about the idea saying they rather do the

work by themselves since they do not trust the employees as one Janet during an interview said he employed workers and they stole all her stock.

4.4.2 Planning helps business owners increase on their profits

Frequency tabulation was used by the researcher to present planning helps business owners increase on their profits planning helps business owners increase on their profits.

Table 15 showing planning helps business owner’s increase on their profits

	Frequency	Percent
strongly disagree	3	5.3
Disagree	15	20.0
not sure	14	18.7
Agree	24	32.0
strongly agree	19	25.3
Total	75	100.0

Source: primary data 2014

32.0% respondents agreed that planning helps business owners increase on their profits , 25.3% of respondents strongly agreed, 20.0% of respondent disagreed,18.7% respondent were not sure and 5.3% strongly disagreed. Planning involves intentionally setting goals (choosing a desired future) and developing an approach to achieving those goals. (Robson, 1994).This was confirmed when the researcher was shown a business plan prepared by small scale operators

during an interview with them. This implied that the business operators had a road map they are following.

4.4.3 Planning has led to improved performance in small businesses by training employees to use the technology.

Frequency tabulation was used by the researcher to present the above statement of the respondent. This is shown in the table below

Table 16 showing the above statement

	Frequency	Percent
strongly disagree	10	13.3
Disagree	12	16.0
not sure	11	14.6
Agree	18	24.0
strongly agree	23	30.7
33	1	1.3
Total	75	100.0

Source: Primary data 2014

30.7% of respondent strongly agreed training of employees on technology usage is very important, 24.0% respondent agreed, 16.0% respondent disagreed, 14.6% respondent were not sure and 13.3% respondent strongly disagreed

Baguma said during an interview that “Training is literally looked at as the acquisition of knowledge, skills and competences as a result of teaching practical skills and knowledge that

relate to specific useful competences. More onto that it has a specification towards helping individuals develop their capability, capacity and performance”. The table above focused on technology training offered to employees by business owners in the market geared towards effective usage of the technology as it was being used in the business. The level of agreement concerning the training of employees was shared according to the respondents in the market where the researcher received the highest percentage of respondents strongly agreeing about the technological training has led to improved performance of their businesses when contacted. They agreed that training programs offered by the business owners were always helpful to them in various ways which included accountability of both expenditures and earnings, the earned profit and other business activities using the various soft wares. The fact that the end results of training was always positive because the entire procedure was always looked as a way of imparting skills and knowledge in terms of business technological management. 13.3% respondents strongly disagreed that the training wasn’t practiced in their business as most of them were not yet using technology in their businesses.

4. 4. 4 Time managemet, employees are punctual.

Frequency tabulation was used by the researcher to present time management, employees are punctual. . This is shown in the table below

Table 17Showing time management, employees are punctual.

	Frequency	Percent
strongly disagree	6	8.0
Disagree	8	10.7

not sure	8	10.7
Agree	28	37.3
strongly agree	25	33.3
Total	75	100.0

Source: primary data 2014

37.3% respondent agreed time management is key, 33.3% respondent strongly agreed, 10.7% respondent disagreed and were not sure and 8.0% respondent strongly disagreed

Business is about focus dealing with day-to-day operational activities such as scheduling criteria. It must operate within a budget but is not at liberty to adjust or create that budget. Commitment of the people throughout the organization "grows out of a sense of ownership of the project" (Mintzberg, 1994, p. 172). Such commitment is essential to success. Planning implies organization-wide participation, which can only be achieved if people believe that their involvement counts, and that they will benefit from the process so this made time management a critical matter in the running of businesses that was why the greatest percentage of respondents which was 37.3% agreed that employees or those who have businesses must have had the greatest discipline when it came to time since it was a scarce resource. While 8.0% strongly disagreed with the above statement as one Mukasa who dealt in house hold materials said as for him "he operates his business at his own pace since his business requires a lot of patience and does not bring income daily"

4.5.1 Good leaders have vision, drive, and commitment in the business

Frequency tabulation was used by the researcher to present good leaders have vision, drive and commitment in the business. This is shown in the table below

Table 18 showing that good leaders have vision, drive and commitment in the business

		Frequency	Percent
Valid	strongly disagree	13	17.3
	Agree	5	6.7
	not sure	5	6.7
	Disagree	14	18.7
	strongly agree	38	50.7
	Total	have75	100.0

Source : primary data 2014

The table shows that 17.3 % of respondents strongly disagreed that good leaders have vision, drive and commitment, 6.7% agreed that good leaders had vision, drive and commitment, 6.7% respondents were not sure , 14% disagreed and 50.7% strongly agreed that good leaders had vision, drive and commitment because Dedication and drive Is a key success factor for the start ups. Dedication and drive are reflected in hard work. They required patience, stamina and a willingness to work long hours. One of the key reasons that start up business failed was that the founders lacked commitment and neglected the business yet drive involved internal motivation while dedication called for intellectual commitment to the enterprise that keep the business owner going. Even in the face of bad news or poor luck, small enterprise owners typically had a strong enthusiasm not just for their venture but for life in general, as a result, their dedication and drive was like a magnet that drew people to the business and built confidence in what they were doing.

4.5.2 Understanding a customer's need is very important

Frequency tabulation was used by the researcher to present Understanding a customer's need is very important

Table 19 showing Understanding a customer's need is very important

	Frequency	Percent
	1	1.3
strongly disagree	6	8.0
Disagree	11	14.7
not sure	5	6.7
Agree	17	22.7
strongly agree	35	46.7
Total	75	100.0

Source: primary data 2014

1.3% strongly disagreed with the above statement, 8.0% disagreed with the statement, 14.7% were not sure, 22.7% respondents agreed with the above statement because during an interview with Jane a mobile money agent said "the reason why she was operating at Usafi market was because she was targeting the passengers who use taxis at Usafi taxi park and the customers and vendors who withdraw money to carry out the different transitions".

Frequency tabulation was used by the researcher to present

its importance to know the business threats, opportunities and how to go about them. This is shown in the below.

4.5.3 its very important to know the business threats, opportunities and how to go about them

Table 20 showing it's very important to know the business threats, opportunities and how to go about them

	Frequency	Percent
strongly disagree	4	5.3
Disagree	6	8.0
not sure	16	21.3
Agree	13	17.3
strongly agree	36	48.0
Total	75	100.0

Source : primary data 2014

5.3% respondents strongly disagreed with the statement, 8.0% disagreed, 21.3% were not sure, 17.3% agreed and 48% strongly agreed because leaders need a holistic understanding of business stake holders. This requires an a ability to scan the environment to develop a knowledge of business stakeholders for example customers, suppliers and other salient environmental trends and events and integrate this knowledge into a vision of what the business could become, it nessciates the capacity to solve increasingly complex problems, become proactive in approach and develop a viable strategic options. "Developing a strategic vision provides many benefits like A clear future direction; a frame work for the organizations mission and goals, Enhanced

employee communication, participation and commitment”. said a respondent during an interview.

4.5.4 Flexibility is key for business leaders

Frequency tabulation was used by the researcher to present flexibility is key for business leaders.

This is shown in the table below.

Table 21 showing flexibility is key for business leaders

	Frequency	Percent
	1	1.3
strongly disagree	5	6.7
Disagree	8	10.7
not sure	11	14.7
Agree	24	32.0
strongly agree	26	34.7
Total	75	100.0

Source: primary data 2014

1.3% of respondents strongly disagreed with the above statement, 6.7% respondents disagreed, 32.0 respondents agreed with the above statement and 34.7% respondents strongly agreed because , Given the nature and consistency of change in our economic environment and the challenges facing small businesses, leadership is essential for making the right decisions to succeed (Bennis, 2000). Small businesses required strong leadership. Robust leaders conquer the

volatile, turbulent surroundings that sometimes suffocate small businesses. The slow suffocation of a small business starts its downward spiral to failure (Bennis, 2000). This implied that leaders must be flexible in the businesses they operating so that they are not taken up by surprise when it came to economic situation must be alert

4.5.5 Leaders must create networks of people, potential sponsors and customers to ensure positive performance of the business

Frequency tabulation was used by the researcher to present leaders must create net works of people, potential sponsors and customer to ensure positive performance of the business. This is shown in the table

Table 22 showing leaders must create networks of people, potential sponsors and customers to ensure positive performance of the business

	Frequency	Percent
strongly disagree	12	16.0
Disagree	5	6.7
not sure	5	6.7
Agree	17	22.7
strongly agree	36	48.0
Total	75	100.0

Source : primary data 2014

12% respondents strongly disagreed that leaders must create networks, potential sponsors and consumers to ensure positive performance of small business, 6.7% respondents disagreed and

were not sure about the above statement while 22.7% agreed with the above statement because they told the researcher that when leaders Understand the customer, they Provide quality products and services, Manage the business knowledgeably and expertly, Pay attention to details and continuously learn.48.0% respondents strongly supported the statement because during an interview with business owners one of the members said “especially those who are dealing with beverages, that when selling high rate of beverages , companies like Coca-Cola sponsors them with fridges.

4.6.1 Use of mobile money as a means of payment increases sales

Frequency tabulation was used by the researcher to present use of mobile money as a means of payment increases sales the longevity of the business. This is shown in the table below

Table 23 showing use of mobile money as a means of payment increases sales

	Frequency	Percent
strongly disagree	8	10.7
Disagree	7	9.3
not sure	18	24.0
Agree	18	24.0
strongly agree	24	32.0
Total	75	100.0

Source: primary data 2014

32.0% respondents strongly agreed that the use of mobile money as a means of payment increases sales, 24.0% also agreed, 24% respondents were not sure, 10.7% respondents strongly disagreed and 9.3% respondents disagreed.

32.0% of the respondents transact their business via mobile money. This payment mode is basically used by business people who had a high level of education because they understood the importance of technology and also those business owners who had websites; blogs also transacted their businesses using mobile money. For example James degree holder who deals in hardware and electronics told the researcher in an interview that “he transacted business with a customer in Kibaale district who instructed him to put the goods he had ordered for on business which he did faithfully and when the goods reached the customer in Kibaale district, he was paid instantly via mobile money and because of his trust and the risk he took , he has been able to attract a lot of customer and hence increasing on his market base.

10.7% and 9.3% of the respondent assured the researcher that they can not transact in such business hence creating an existing gap of resistance to technology.

24.0% respondents were not sure about employing the technology in their business and they concluded they are still carrying out a research.

4.6.2 Selling of variety of products leads to increased sale

Frequency tabulation was used by the researcher to present Selling of variety of products leads to increased sales. This is shown in the table below.

Table 24 showing Selling of variety of products leads to increased sales.

	Frequency	Percent
Valid 0	1	1.3
strongly disagree	4	5.3
Disagree	13	17.3
not sure	11	14.7

Agree	26	34.7
Strongly agree	20	26.7
Total	75	100.0

Source: primary data 2014

34.7% respondents agreed that selling of variety of products leads to increased sales, 26.7% respondents strongly agreed, 17.3% disagreed, 14.7% respondent were not sure, 5.3% respondents strongly disagreed and 1.3 % respondents had no opinion.

The highest percentage which was 34.7 % of the respondents agreed with the above statement saying that its very difficult to determine the customers taste so the only way to attract them is by selling variety of products and its up to them to take the product they desire while the 17.3% and 5.3% respondents who disagreed respectively assured the researcher that those business people who say they should sell variety of goods do not know the target audience they are serving. This was said during a group interview with them

4.6.3 Giving of credits to customers retains and attract new customers who buy more and more goods

Frequency tabulation was used by the researcher to present giving of credits to customers retains and attract new customers who buy more and more goods. The table below shows the results

Table 25 showing Giving of credits to customers retains and attracts new customers who buy more and more goods

	Frequency	Percent
strongly disagree	5	6.7
Disagree	13	17.3

not sure	17	22.7
Agree	26	34.7
strongly agree	14	18.7
Total	75	100.0

SOURCE: PRIMARY DATA2014

34.7% respondents agreed that giving of credits to customers retains and attract new customers who buy more and more, 22.7% respondents were not sure, 18.7% respondents strongly agreed,17.3%respodentsdisagreed and 6.7% strongly disagreed.

Selling of goods on credit refers to the process where customers acquire goods without paying cash immediately said a respondent during a group interview ,34.7% of respondents who agreed on selling goods on credit assured the researcher that they do it on a condition. They said they only give credit to customers who buy products from them on a daily basis so they write down the name of the client and the due date when the money will be paid. 22.7% had no comment about the matter and the other respondents disagreed saying , they can not give credit to customers because the customers take long to pay back the money, others disappear forever even if they live you with a collateral, this was said bitterly a respondent during a group interview

4.6.4 Carry out market research to ensure that i meet the customers needs

Frequency tabulation was used by the researcher to present I carry out market research to ensure that I meet the customers needs the longevity of the business. This is shown in the table below

Table 26 showing I carry out market research to ensure that i meet the customers needs

	Frequency	Percent
strongly disagree	13	17.3
Disagree	9	12.0
not sure	13	17.3
Agree	16	21.3
strongly agree	24	32.0
Total	75	100.0

SOURCE; PRIMARY DATA 2014

32.0% respondents strongly agreed, 21.3% respondents agreed,17.3% respondents were not sure,12.0% respondents disagreed.

During an interview with Dorcus a vendor in Usafi market told the researcher that the reason she decided to open up a business at the market was because after her market research she discovered that the passengers who go to Usafi taxi park pass through the market and they buy products for their domestic use so decided to rent a room in Usafi market to meet this kind of target group therefore32.0% and 21.3% respondents had a similar view with Dorcus while the 17.3% and 12.0% respondents who disagreed gave reasons that for them they are just trying

their luck in business and they imagined that Usafi market will not have funny fire outbreaks like owino market whose fire has never been traced emphasized one Mama Shamin who said, “im tired of owino fires and when I heard of Usafi market I had to transfer without delays”. while 17.3% of the respondents were not sure.

4.6.5 Has led to improved performance in small businesses by training employees to use the technology.

Frequency tabulation was used by the researcher to present the above group of respondent. This is shown in the table below

Table 27 showing the above statement

	Frequency	Percent
Valid	0	2.7
	strongly disagree	13.3
	Disagree	16.0
	not sure	12.0
	Agree	24.0
	strongly agree	30.7
	Total	100.0

Source: primary data 2014

30.7% respondents strongly agreed, 24.0% respondents agreed, 16.0% respondents disagreed, 12.0% were not sure, 2.7% respondents had no idea .

Training is literally looked at as the acquisition of knowledge, skills and competences as a result of teaching practical skills and knowledge that relate to specific useful competences. More onto that it has a specific towards helping individuals develop their capability, capacity and performance.

The table above focused on technology training offered to employees by business owners in the market geared towards effective usage of the technology as it is being used in the business. The level of agreement concerning the training of employees was shared according to the respondents in the market where the researcher received the highest percentage of respondents strongly agreeing about the technological training has led to improved performance of their businesses when contacted. They agreed that training programs offered by the business owners were always helpful to them in various ways which included accountability of both expenditures and earnings, the earned profit and other business activities using the various soft wares.

The fact that the end results of training was always positive because the entire procedure was always looked as a way of imparting skills and knowledge in terms of business technological management. 13.3% respondents strongly disagreed that the training wasn't practiced in their business as most of them were not yet using technology in their businesses.

4.7.1 Accounting software has been put in place for accounting and book keeping purposes.

Frequency tabulation was used by the researcher to present accounting software have been put in place for accounting and book keeping purposes.

Table 28 showing accounting soft wares have been put in place for accounting and book keeping purposes.

	Frequency	Percent
strongly disagree	3	4.0
Disagree	9	12.0
not sure	15	20.0
Agree	26	34.7
strongly agree	20	26.7
Total	75	100.0

Source: primary data2014

2% of respondents have never heard about the soft ware,4.0% of respondents strongly disagreed because they say accounting soft wares,12.0% of respondents disagreed with the above statement saying that the accounting soft wares are expensive to acquire,20.0% of respondents were not sure of the accounting soft wares because they are comfortable with their manual style.

34.7% of respondents agreed with the soft ware because they keep the data and you can access it at any time unlike the manual accounting books can get lost or misplaced so Angella said through the use of accounting software in particular quick books has enabled her to keep and record her details from the start of her business to this date during the interview I had with her.

26.7% strongly agreed with the statement saying it is the best way of keeping accounting records.

4.7.2 send sms to customers to inform them about new stock.

Frequency tabulation was used by the researcher to present send sms to customers to inform them about new stock.

Table 29presenting information on send sms to customers to inform them about new stock.

	Frequency	Percent
Valid 0	2	2.7
strongly disagree	10	13.3
Disagree	10	13.3
not sure	19	25.3
Agree	22	29.3
strongly agree	12	16.0
Total	75	100.0

Source: primary data

29.3% of respondents agreed that sent sms to inform them about new stock, 25% of respondents were not sure,16% respondents strongly agreed,13.3% were not sure and 2.7% respondents had no idea

2.7% did not fill in the questionnaire because they do not any thing about technology.

13.3% of respondents strongly disagreed with the above the statement because to them its very expensive said 59 old man during an interaction with them.

13.3% of respondents also disagreed claiming the same reason that it is expensive.

25.3% of respondents were not sure as a 40 year old Maria told me that they do not have their customers numbers.

29.3% of respondents agreed that they send bulk sms to their clients especially those who buy in whole sale for example Bob who deals in food court and perishables sends bulk sms to hotels ,restaurants, schools and through this he has been able to sing contracts with this customers hence increasing his customer base.

4.7.3 it has made customer access the online business services and goods easily

Frequency tabulation was used by the researcher to present it has made customer access the online business services and goods easily

Table 30 showing it has made customer access the online business services and goods easily

	Frequency	Percent
Valid 0	3	4.0
strongly disagree	10	13.3
Disagree	12	16.0
not sure	13	17.3
Agree	26	34.7
strongly agree	11	14.7
Total	75	100.0

Source: primary data2014

3% of respondents had no response because they did not know anything about technology, 13.3% of the respondents actually strongly disagreed with the statement insisting that "most of their customers follow them in the market to shop so it is useless and expensive to bring in technology into their businesses" said John who finished his diploma business claiming he carried out a research and came up with a conclusion saying it is useless to bring technology in the businesses.

17.3% of the respondents are not sure because one Janet a bachelor degree holder from Ndejje university said, "it's useless for her to use technology in her business it was at a very small scale.

34.7% of the respondents agreed with the statement because they have actually brought in technology like accounting soft wares which they use for their accounting purposes (book keeping) , open up blogs , email, face book where customers and business owners interact"

14.5% strongly agreed with the above statement because during an interview with Joshua who operates a garments and footwear shop gladly said " I have a computer where I enter the details of my customers so for any new stock, designs ,fashions, he sends them on his blog, website hence informing his clients about the different trends, with this he has been able to link with new clients hence increasing his market base.

4.7.4 Online registration allows small businesses to get access to national and international market base

Frequency tabulation was used by the researcher to present online registration allows small businesses to get access to national and international market base the business. This is shown in the table 4.6.6 below

Table 31 showing online registration allows small businesses to get access to national and international market base

	Frequency	Percent
Valid 0	2	2.7
strongly disagree	16	21.3
Disagree	13	17.3
not sure	10	13.3
Agree	13	17.3
strongly agree	21	28.0
Total	75	100.0

Source: primary data 2014.

2.7 % respondents never had any stand , 21.3% respondents’ strongly disagreed because most of them are computer illiterate especially Mukasa 40 year old vendor who did not know what a computer is, 17.3% respondents disagreed with the above statement stating that most of our customers can not afford laptops so it is useless to register on line while 13.3% were not sure because they haven’t tried it out and 28.0% respondents strongly agreed with the statement because they have opened up blogs specially those were dealing in hardware and electronics and

those dealing in crafts and furniture assured me that their customers access them on line, place their orders and they respond immediately by sending the goods.

4 .7.4 Increased sales leads to high turn over

Frequency tabulation was used by the researcher to present the increase sales leads to high turnover. The table shows the results.

Table 32 showing increased sales leads to high turnover.

	Frequency	Percent
strongly disagree	5	6.7
Disagree	3	4.0
not sure	11	14.7
Agree	27	36.0
strongly agree	29	38.7
Total	75	100.0

Source: primary data 2014

38.7% respondents strongly agreed, 36% respondents agreed,14.7% were not sure,4.0% disagreed and 6.7% respondents strongly disagreed

Turn over refers to the amount of cash received after goods and services have been sold. High sales lead to high turn over "Success in business is defined in terms of high turn over." Said one respondent. The table above showsThe findings the researcher found out that the percentage of those who agreed with the statement are higher than the respondents who disagreed with the statement while 14.7% respondents had no view concerning the matter.

38.7% strongly agreed with the above statement especially the respondents who deal in foot wear and garments spotted that during charismas season they sell a lot of clothes and shoes since at that time the demand is high while those who disagreed were respondents who deal in food court and perishables that during harvesting time, they can stock a lot of goods but end up selling them at a relatively low prices hence getting no profit because they do not want their goods to rot without getting any coin from the hence selling them at a give away prices which is a loss.

4.8.1 Selling of quality products leads to profits

Frequency tabulation was used by the researcher to present selling of quality products leads to profits. This is shown in the table below

Table 33 showing selling of quality products leads to profits.

	Frequency	Percei6nt
strongly disagree	12	16.0
Disagree	7	9.3
not sure	11	14.7
Agree	28	37.3
strongly agree	17	22.7
Total	75	100.0

Source: primary data2014

37.3% respondents agreed that selling of quality products leads to profits,22.7% respondents strongly agreed,16.0%respodents strongly disagreed,14.7% respondents were not sure and 9% respondents disagreed

According to Zetlin (1994), small business owners feel that having a good product is most important, however, other means of achieving success include a commitment to quality and to the customer

Quality is worthiness of a product or service and customers really treasure this factor. This was concluded in the interview the researcher had with the respondents where 37.3% of them agreed with the statement and 16.0 % respondents strongly disagreed with the statement saying that customers who are low income earners do not bother about quality but rather mind to buy the products to satisfy their needs and 14.7% of the respondents had no comment on the statement.

4.8.2 Bad debts have great impact on the business.

Frequency tabulation was used by the researcher to present **bad debts has great impact on the business.** . This is shown in the table below.

Table 34 showing bad debts has great impact on the business.

	Frequency	Percent
strongly disagree	22	29.3
Disagree	7	9.3
not sure	11	14.7
Agree	23	30.7
strongly agree	12	16.0
Total	75	100.0

Source: primary data 2014

30.7% respondents agreed that a bad debt has great impact on the business, 29.3% respondents strongly disagreed, 16% respondents strongly agreed, 14.7% respondents were not sure, and 9.3% respondents disagreed.

O'Neill and Duker (1986) indicated that small businesses that were successful had higher quality products, lower levels of debt, this is confirmed where 29.3% strongly disagreed with the above statement because most of the business operators borrowed loans so they have got to pay their debts back on time so there is no way they can delay their period for paying the banks back through writing off bad debts so they had to sell their goods on cash. While 30.7% and 16.0% agreed with the above statement because those were some of the risks they expected and derived means of mitigating them like by engaging in revenue drives that's what most respondents told the researcher during a group interview.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.

5.0 Introduction

This chapter discusses the findings of the study, the conclusions and recommendations in relation to the study objectives. This discussion explains the findings of the study in support or in contrast to the literature after which conclusions and recommendations are drawn.

5.1 Summary of findings

Impact of organizing to the performance of small scale businesses

“Identification of the organization's vision and mission is the first step of any business.

The business's vision sets out the reasons for its existence and the "ideal" state that the business aims to achieve; the mission identifies major goals and performance objectives. Both are defined within the framework of the organization's philosophy, and are used as a context for development and evaluation of the business. One can not over emphasize the importance of a clear vision and mission; none of the subsequent steps will matter if the

Organization is not certain where it is headed, (Mintzberg,1996). Followed by Organizational culture is a system of shared values, assumptions, belief and norms that create the members of an organization. Organizational culture reflects employees views about the way things are done around here. The three levels of culture are visible culture which includes things people can hear, see, or feel such as formality of employees address.

The role of planning in the performance of small scale enterprises.

As this review of the literature shows, the small firm is likely to gain value from planning although it is not the amount or even the formality of the planning that seems to matter. More significant is the ability of the owner-manager to apply systematic analytical thinking to their management of the task environment. If formality in the planning process is to be used it is likely to occur in response to a need to coordinate the management practices of the firm, or to satisfy the needs of external stakeholders who are consumers. Outsiders like suppliers can help to enhance the planning process within the small firm, but they and their level of assistance needs to be matched appropriately to the owner-manager and the firm.

Leadership and performance of small scale enterprises.

Launching a new venture requires a special kind of leadership. It involves courage, belief in ones convictions and the energy to work hard even in difficult circumstances. Small business owners work for themselves. They don't have bosses to inspire them or tell them what to do. Their next pay cheque arrives only as a result of their own effort. They must oversee all aspects of a business operations as well as monitor quality and performances yet these are very challenges that motivate most business owners. Small scale enterprises owners put themselves to the test and get their satisfactions from acting independently, overcoming obstacles thriving financially. To do so, they must embody three characteristics of leadership that is: vision, dedication, and drive and commitment. To excellence and pass these on to all those who work with them

Finally in general the researchers found out the respondents were involved management practices. they said during the findings that management practices ensured that plan was accomplished by controlling and monitoring results versus the plan in some detail, both formally and informally, by means of reports, meetings, and other tools; identifying deviations; and then planning and organizing ways to solve the problems. But for leadership, achieving a vision required motivating and inspiring, keeping people moving in the right direction, despite major obstacles to change, by appealing to basic but often untapped human needs, values, and emotions.

5.2 conclusions

The study revealed that the people who operate small business at usafi markert deal in food courts and perishables (25.3%) This means that SMEs are operating below capacity because they do not own ware houses where they can store their stock and the costs involved like lighting costs, heating costs , cooling costs to prevent the goods from getting spoilt are to high for them to afford and that's why 17.3% of respondents disagreed with the statement of the culture of stocking goods in time has led to good performance of small business this means when they stock a lot and the goods are about to go bad they sell them cheaply and therefore their return on sales becomes low making them not to enjoy profitability. This implied that the respondents do not organize themselves in advance hence making this management practice still lacking behind.

The findings also showed that the return on sales are considerably low since 14.7% respondents were not sure about their level of sales and this clearly means that the Small businesses are spending more to sell. This is probably due to high cost of sales which incorporates the cost of

purchases; the cost of maintaining stock and this reduces the return expected which reduces the overall level of profitability. This actually implied that some respondents do not apply exactly what they planned into action since planning is a gradual process but for them they rush and excited to make money

The findings revealed that 13.3% respondents disagreed with the aspect of having a vision and a mission. This means that the Small businesses have no road map on where they would like to be in the near future. This includes long term plans regarding expansion, new production/services to be introduced on the market and all these factors affect the performance of small businesses. This also showed that there is gap when it comes to leadership.

It was revealed that there existed a strong effect of management practices on the performance of small businesses where most business owners at least practiced planning, organizing and leading so as to achieve the goals and objectives that they set and the performance of businesses in terms of productivity, profitability technological advancement,, job creation, income generation, consumer satisfaction, supplier satisfaction and community development.

5.3 Recommendations

Improving gender balance is critical. The study revealed that small businesses ownership and operation was dominated by men. This state of affairs is in contrast with Uganda Government's policy and that of global policy on empowerment of women. Therefore, there is need to encourage more women to be more involved in business especially in the through a series of affirmative actions. Government's development partners should be equally encouraged to take the aspect of women in the business sector as a matter of priority.

Government of Uganda needs to establish and ensure that the youth funds research the targeted audience who are the youth so that the target group involve themselves in entrepreneurship and business this should be emphasized since the researcher found out that most youth are engaged in small businesses. This will improve household economic security; create wealth within the community in the context of Government's policy and slogan of "prosperity for all" – as championed by President Yoweri Museveni of Uganda in his manifesto (2011 -2016).

Support towards small scale businesses is critical. In this regard, the central Government should put in place a framework of policies and actions designed at supporting the establishment and growth of small businesses through subsidies and tax waivers. The end result of this will significantly improve the performance of small scale businesses; improve small businesses chances to breakeven, as well as increasing the profitability margin - thereby enabling re-investment, resulting into business expansion and broadening employment opportunities in the country and the region at large.

Improving collaboration and knowledge sharing is imperative. Small businesses should be encouraged to open up more opportunities for collaboration and alliances which would lower costs, save time, reduce on the intensity of capital demanded, and improve effectiveness and quality as they will be contracting out to people with expertise in those fields. The main reason for this is that overtime as small businesses mature, they create or refine knowledge and ways of doing business, and this may have positive impact on the overall cost levels of production.

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Questionnaire

Dear respondent,

I am carrying out a study on the management practices and performance of small businesses. You have been selected as one of the respondents on this subject. The information you give is purely for academic purposes and will be treated with utmost confidentiality. Kindly answer these questions personally not through others so that we can be able to obtain correct and accurate data.

SECTION A

Please tick in the appropriate box for the questions below.

1. Gender

Male	Female
<input type="checkbox"/>	<input type="checkbox"/>

2. Age group

<input type="checkbox"/> 18-24	<input type="checkbox"/> 25-29	<input type="checkbox"/> 30-34	<input type="checkbox"/> 35-39	<input type="checkbox"/> 40-above
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3. Level of education

No education	Primary	secondary	certificate	diploma	Bachelors degree

4. Your position in the business

Owner	Employee

5. Is your business registered?

No	Partly registered	Registered

6. How would you best describe your business?

Sole proprietorship	Partnership	Limited liability

7. What is the nature of your business?

Garments and footwear	Food court and perishables	Crafts and furniture	Beverages	Household and stationery	Hardware and electronics

8. How many employees are there in your business?

2-5employee	5-10employees	10-30 employees	10-50 employees

9. How long has the business been in existence

1-5months	6—10months	1year	2years

11. How well do you know your competitors?

Quite well	Fairly well	I don't know at all

13. Does your business formally measure performance in the following areas

	Yes	No
Productivity		
Profitability		
Technological Advancement		

SECTION B

Using a scale of 1-5 please indicate your level of agreement or disagreement of the following statements. Please tick the appropriate box that describes your opinion.

5=strongly agree, 4=Disagree, 3=Not sure, 2=Agree, 1=strongly disagree

	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
Organizing					
Customer services attract more customers and old ones are retained.					
Set mission, vision relate to the achievement of small business goals.					
Book keeping of records is a must.					
All the technological changes we make does not affect the performance					

of the business					
The culture of stocking goods in time has led to good performance of our business					

	Strongly disagree	disagree	Not sure	agree	Strongly agree
Planning					
employees work to achieve the set objectives.					
Planning enables small businesses to better prepare for and deal with the rapidly changing environment that most of them face					
Planning helps business owners increase on their profits					
it helps business owners					

to forecast the future.					
Time management ,employees are punctual.					

Leaders	Strongly disagree	disagree	Not sure	Agree	Strongly agree
Good leaders have vision, dedication,drive and commitment					
Understanding a customer need is very important.					
Its very important to know the business strength, threats, opportunities and weaknesses and how to go about them.					
Its very positive for leaders to be flexible.					
Leaders must create networks of people, potential sponsors, customers to ensure positive performance of the business.					

Productivity	Strongly disagree	disagree	Not sure	agree	Strongly agree	
Use of mobile money as means of payment increases sales						
Giving of discounts to customers who buy in bulk increases productivity						
Selling variety of goods meets customer needs which increases sales						
Giving of credits to customers retains and attract new customers who buy more and more goods						
I carry out market research to ensure that I meet the customers needs						

Technology advancement	Strongly disagree	disagree	Not sure	agree	Strongly agree
Has led to improved performance in small businesses by training employees to use the technology.					
Accounting softwares have been put in place for accounting and book keeping purposes.					
Send sms to customers to inform them about new stock.					
it has made customer access the online business services and goods easily					
Online registration allows sms to get access to national market and increase market base.					

Profitability	Strongly disagree	disagree	Not sure	agree	Strongly agree
Increased sales leads to high turnover					
Selling of quality products leads to profits					
discounts have no effect on profits to be got					
Awareness of the customer taste is very crucial in order to attain profits					
bad debts has great impact on the business.					

Interview guide for the management or administrators of usafi market

- 1. what are the major management practices used by the vendors in usafi market**
- 2. what do you think are the challenges faced by the vendors in this market**
- 3. what are your suggestedted possible solutions highlighted in 2 above**