

**MANAGERIAL SKILLS AND ENTREPRENEURIAL PERFORMANCE OF SMALL-
SCALE ENTERPRISES (SSES) IN KYENGERA TOWN
WAKISO DISTRICT**

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ABSTRACT: *The main purpose of this study was to examine the relationship between management skills and entrepreneurial performance of small-scale enterprises in Kyengera Town.*

The objectives of the study were to; assess the relationship between planning skills and entrepreneurial performance of small-scale enterprises; examine the relationship between communication skills and entrepreneurial performance of small-scale enterprises; and assess the relationship between technical skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council. The results of the study revealed a high positive and significant correlation relationship between planning skills and performance of Small-scale enterprises in ($r=0.688, p=0.000$), a high positive relationship between communication skills and performance of Small-scale enterprises ($r=0.650, p=0.000$), and a weak significant relationship between technical skills and performance of Small-scale enterprises in Kyengera Town Council ($r=0.453, p=0.000$). The study recommends that; SMEs in all sectors in Uganda should enhance managerial planning skills as a tool and a concept to be used in improving organizational performance; and to ensure growth and success of small and medium enterprise, technical and planning skills must be emphasized.

Key words: managerial skills, entrepreneurial performance and small-scale enterprises

Back ground to the study

The background to the study was categorized into four linked perspectives namely a historical perspective which gave a past overview of the study, and variables, theoretical perspective which will present a theory to underpin the study, conceptual perspective which defined key variables and contextual perspective which show the problem at the ground that prompted the researcher to conduct this study.

Small scale enterprises sector is part and parcel of the Ugandan economy. There is clear evidence in our respective communities of the successes our great grandparents made of their respective trading concerns, iron SSEs, farming, cottage industries and the like (Ayozie, et al, 2019); a clear manifestation that SSEs started thousand years ago and they have been improved and formalized through various government programs to enhance a strong and vibrant SSES sector. Management skills as an academic field originated as early as 1940 when it was seen as enabling tool during the first world war (Chaharbaghi, 1986) and to understand the essence of management stills in the business field, we need to follow its historical perspective (Ronda-Pupo and Guerras-Martin, 2011). Ketchen and Short (2019) noted, “the history of management skills can be traced back several thousand years. Ketchen and Short (2019) caution that ignoring the lessons of history can lead to costly strategic mistakes that could have been avoided Certainly, the present offers very important lessons; businesses can gain knowledge about what skills do and do not work by studying the current actions of other businesses”. However, during its first decades of existence, management skills were almost involved in investigating strategic issues in large and established enterprises with little or no effort on the SSEs (Kraus and Kaurane, 2019; Analoui and Karami, 2003).

Statement of the problem

Management of any enterprise has over the years been a function of training and skills enhancement. Management theory dictates that skills acquisition presents a fundamental opportunity for business performance because optimizing and simplifying jobs leads to an increase in productivity. Ministry of Trade and Industry in collaboration with Uganda

Investment Authority, Private Sector Foundation, and Enterprise Uganda among others have put in place several initiatives to facilitate and promote sustainable growth of SSEs such as Evergreen plywood Limited (Ministry of Trade, 2016). There is low entrepreneurial performance in Kyengera Town Council Wakiso district. The Ministry of Finance Planning and Economic Developing report (2016) indicate that small-scale enterprises s still record reduced profits, stagnant growth in sales, small market share and low liquidity levels which made them less competitive in both local and international market.

Objectives of study

The specific objectives included;

1. To assess the relationship between planning skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.
2. To examine the relationship between communication skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.
3. To assess the relationship between technical skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Research questions

The following research questions were used to guide the study

1. What is the relationship between planning skills and the entrepreneurial performance of small-scale enterprises in Kyengera Town Council?
2. What is the relationship between communication skills and the entrepreneurial performance of small-scale enterprises in Kyengera Town Council?
3. What is the relationship between technical skills and the entrepreneurial performance of small-scale enterprises in Kyengera Town Council?

Research Hypotheses

H1: There's a significant positive relationship between planning skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

H2: There's a significant positive relationship between communication skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

H3: There's a significant positive relationship between technical skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Research design

The study adopted cross-sectional and correlational survey designs to examine the experiences of sampled respondents about the relationship between managerial skills and the performance of small-scale enterprises. The correlational design was adapted to explain the influence of managerial skills on the performance of small-scale enterprises in Kyengera Town council. The study used a cross-sectional survey because pertinent data was collected from a large number of respondents at the same time to reduce the costs involved, qualitative and quantitative approaches were used by the researcher Creswell (2003).

Population of the study

According to Omari (2011), a population is the totality of any group of units which have one or more characteristics in common that are of interest. The study focused on selected small-scale enterprises in Kyengera Town. The study population included small-scale business owners, local leaders and policymakers in Kyengera Town. These made up a total of 250 respondents which include market vendors, mobile money operators, tailors, shop attendants and mechanics.

Study Sample

The study used a sample size of 152 respondents drawn from a population of 250 which was determined using Krejcie & Morgan table of determining the sample size of a finite population.

Sampling Strategy

The researcher used both probability and non-probability sampling designs. Under Non-probability sampling, the researcher used a purposive sampling technique that helped to collect qualitative data, whereas, under probability, the researcher used a simple random sampling technique to select the sample, which will be used to collect quantitative data. Both sampling designs were used because of the need for minimizing bias by giving all the subjects in the population equal chances of being selected and targeting key informants with vital in-depth information for the study.

Sampling techniques and procedures

To ensure representativeness of the samples, randomization was a suitable approach to attain the respective sample size from the said population. The researcher applied both purposive sampling and simple random techniques.

Simple Random sampling

Simple random sampling is a subset of individuals chosen from a larger set (Amin, 2005). Each individual is randomly chosen and entirely by chance so that every person has the same probability of being chosen at any stage during the sampling process, and each subset of K individuals has the same probability of being chosen for the sample as any other subset of individuals.

Purposive Sampling

The researcher also used purposive sampling. The sample was chosen from the subjects with the exact function in mind. The researcher believed that some subjects were best for the study. This was the reason why they were purposively chosen as subjects (Amin, 2005).

Sample Frame and Sample Size

Omari (2011) also defined a sample as a small proportion of a population selected for observations and analysis. By observing the characteristics of the sample, one can make certain inferences about the characteristics of the population from which it is carefully drawn. The researcher chose a sample size of one hundred fifty-two respondents (152) respondents

from the population of 250 study participants to win the confidence desired and make the study representative.

Table 1: Sample Size and sampling techniques

Population Categories	Target Population	Sample Size	Sampling Technique
Policy makers and local leaders	10	10	Census
Small scale business owners	100	80	Simple Random Sampling
Small scale business owners' employees	140	103	Simple Random Sampling
Total	250	152	

Source: Krejcie and Morgan table modified by the researcher

Table 1 shows that a sample size of 152 was drawn from a target population of 250. Statistical tables of Krejcie and Morgan (1970) was used to determine the sample size. Krejcie and Morgan (1970) explain that each population category is treated as a population and then use the table to determine the recommended sample size for each population category as illustrated in table 1.

Data collection instruments

The researcher used a self-questionnaire and interview guides in the study to collect data.

Self-administered Questionnaires

The researcher constructed closed-ended statements structured onto a 5- point Likert scale of 5: Strongly agree; 4: agree; 3: not sure; 2: disagree; 1: strongly disagree; which allowed respondents to choose from a set of alternatives. The questionnaire was self-administered to

small-scale business owners and employees. Questionnaires were administered to 152 respondents to get primary data.

Interview guide

The researcher prepared and uses a semi-structured interview guide to conduct interviews with some of the local leaders and small-scale business policymakers. The tool was used because it makes it easy to fully understand someone's impression or experiences, or learn more about their answers as compared to questionnaires.

Data analysis

Data collected from the primary source was compiled, sorted, edited for accuracy and clarity, classified, coded into a coding sheet and analyzed using a computerized data analysis package/tool known as SPSS 23.0 (Nelson. K, 2022). Descriptive statistics were generated to determine the various characteristics of the respondents who participated in the study.

RESULTS

Findings on Response Rate

A high survey response rates help to ensure that survey results are representative of the target population. Table 2 below represents response rates of the targeted population.

Table 2: Showing response rate

Response Rate	Frequency	Percentage
Response	120	78.9
Non-Response	32	21.1
Total	152	100.0

Source; Primary data (2022)

Referring to table 2 above, out of the 152 questionnaires administered to the respondents, 120 respondents filled and returned the questionnaires thus creating a 78.9% response rate. According to Bryman and Bell (2015) and also Mugenda and Mugenda (2009), a feedback rate amounting to 50% is enough for data analysis and the conclusion while equally a feedback rate of 60% is good and feedback above 70% is excellent. Referring to Table 2 Above and the recommendations of scholars, the feedback rate was concluded to be excellent. Therefore, based on the arguments of Mugenda and Mugenda (2009), the feedback rate in this study of 78.9% is excellent.

Information about respondents

The results show the gender, respondent's position held in the organization, age, service duration, education and marital status of the respondents participating in this study.

Gender of the respondents.

To put the findings into context, the presentation of the gender of the respondents was considered to find out whether there was gender bias in the study and the findings are in table 3 below;

Table 3: Gender of the respondents

Gender	Frequency	Percent
Male	78	65.0
Female	42	35.0
Total	120	100.0

Source: Primary data (2022)

From the study results in table 3 above 65% of the respondents were males and 35% are female. This implies that majority of the owners and employees of small-scale enterprises in Kyengera town council are men followed by women.

Age of the respondents.

Findings on the age of respondents was considered to compare the different levels of individuals owning and employed by SMEs. The findings are verified in the table below;

Table 4: Age of the respondents

Age	Respondents	Percent
18-27	35	29
27-37	55	46
37-47	20	17
47-57	6	5
57 and above	4	3
Total	120	100

Source: Primary data (2022)

Findings in table 4 above show that the age of the respondents was 18-27 were 33%, 27-37 were 46%, 37-47 were 17%, 47-57 were 5% and 57 and above were 4% this indicates that in this study all age group were involved thus quality of the data collection. This implies that all age groups were represented hence reliable information was collected in relation to management skills and performance of SMEs.

Respondents level of education.

The levels of education were considered to find out whether respondents were competent and had the capacity to understand the issues in the study.

Table 5: Respondents' level of education

Level education	Frequency	Percent
No education	0	0
Primary	1	0.8
Secondary	6	5
Vocational/Tertiary/Certificate	62	51.7
Diploma	28	23.3
Degree +	23	19.2
Total	120	100

Source: Primary data (2022)

The table 5 above shows that 10% of certificate, 6.7% of diploma, 75.0% of degree, and 8.3% of master's degree applying that respondent had the capacity of participating in the research due to the fact that most of respondents had education thus helped in getting right information.

Effect of planning skills on entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Mean scores greater than 4.5 imply that the respondents strongly agreed to the statement, means between 3.5 and 4.5 imply that the respondents agreed to the statement, means between 2.5 and 3.5 imply that the respondents were not sure about the statement, mean between 1.5 and 2.5 imply that respondents disagreed to the statement and mean scores less than 1.5 imply that the respondents strongly disagreed to the statement. A standard deviation greater than 1 implies a significant variance meaning there was no consensus in the responses

while a standard deviation less than 1 shows that there was no significant variance hence consensus in responses.

Table 6: Descriptive Statistics on planning skills

	N	Mean	Std. Deviation
I am aware of the opportunities we have as a business in the market	120	4.02	1.029
I have identified our challenges as a business	120	3.52	1.105
I have well established objectives as a business	120	3.55	.942
I regularly hold formal meetings to plan business activities	120	3.81	1.211
I am aware of the weaknesses we have as a business	120	3.95	1.158
I have set periodic goals for the business	120	3.67	1.087
I have well stipulated course of action for the business goals	120	3.43	1.172
I regularly evaluate progress of the business	120	3.88	1.224
Customer complaints and feedback are valuable for our planning	120	3.65	1.200
I am knowledgeable about loans and other forms of debts	120	3.47	1.322
Overall mean and standard deviation		3.69	1.145

Source: Primary Data 2022

Results of the study in table 6 above indicated that most aspects of planning skills were high. Respondents were asked whether they are aware of the opportunities they have as a business in the market, the study results indicated that most of the respondents agreed (Mean = 4.102 and S.D = 1.029) with the statement implying that respondents agreed that, they are aware of

the opportunities they have as a business in the market thus they take all the necessary steps to exploit the existing opportunities so as to ensure business growth and expansion. This finding is in line with Okello (2019) findings which indicated that planning is relevant

function business management and it's important for business managers to establish targets or standards so that progress can be monitored based on set quantities and time scale.

When the respondents were asked whether the they have identified their challenges as a business, findings revealed that majority of the respondents agreed (Mean = 3.42 and S.D = 1.105), implying that the respondents agreed with the statement. This implies that majority of the respondents who participated in this study were aware of the major challenges faced by SMEs, however some of the challenges were beyond their control. According to Maxwell (2019), planning answers any question to business activities within short to medium term to satisfy business approach.

In a similar way regarding whether respondents have well established objectives as a business, the results show a Mean = 3.55 and S.D = 0.942 indicating a positive rating which implies that, SMEs owners and managers have well established objectives for the businesses in Kyengera Town council and all business processes and activities are directed towards the fulfillment of the company set goals and objectives.

Inferential findings on Correlation and Regression

To establish the relationship between planning skills and., the researcher carried out a correlation and linear regression test. The results are presented in the tables below;

Table 7: Correlation between planning skills and performance of Small-scale enterprises

		Planning skills	Performance of Small-scale enterprises
Planning skills	Pearson Correlation	1	.688**
	Sig. (2-tailed)		.000
	N	120	120
Performance of Small-scale enterprises	Pearson Correlation	.688**	1
	Sig. (2-tailed)	.000	
	N	120	120
**. Correlation is significant at the 0.01 level (2-tailed).			

Source; Primary Data, 2022

Ho: There's no significant positive relationship between planning skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Ha: There's a significant positive relationship between planning skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Correlation results in Table 7 above show that there is a positive high (0.688) significant associative relationship between planning skills and performance of Small-scale enterprises in Kyengera Town Council. This was statistically significant at 0.05 level of significance since the P-value (0.00) was less than 0.05 and therefore we reject the null hypothesis and conclude that there was a significant relationship between planning skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council

Table 8: Model summary for Planning skills and Performance of Small-scale enterprises

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.688	.473	.469	.28672
a. Predictors: (Constant), Planning skills				

Source; Primary Data, 2022

Source; Primary Data, 2022

Ho: There's no significant positive relationship between planning skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Ha: There's a significant positive relationship between planning skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Keeping other factors constant, a one percent increase in Planning skills would on average lead to 0.688 percent increase in the entrepreneurial performance of small-scale enterprises in Kyengera Town Council. This was statistically significant since the P-value (0.00) was less than the critical value. However, 47.3% of the variations in the dependent variable would lead to a significant change in the independent variable since it takes into consideration the degrees of freedom

Inferential Findings on correlation and regression

To establish the relationship between Communication skills and performance of small-scale enterprises in Kyengera Town Council, Uganda, the researcher carried out a correlation and linear regression test. The results are presented in the tables below.

Table 9: Correlation between Communication skills and Performance of Small-scale enterprises

		Communication skills	Performance of Small-scale enterprises
Communication skills	Pearson Correlation	1	.650**
	Sig. (2-tailed)		.000
	N	120	120
Performance of Small-scale enterprises	Pearson Correlation	.650**	1
	Sig. (2-tailed)	.000	
	N	120	120
**. Correlation is significant at the 0.01 level (2-tailed).			

Source; Primary Data, 2022

Ha: There's no significant positive relationship between communication skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Ha: There's a significant positive relationship between communication skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Results in table 9 above show the relationship between Communication skills (independent Variable) and the performance of small-scale enterprises (Dependent variable). It shows that through bivariate means, the correlation between Communication skills and the performance of Small-scale enterprises is 0.650. This was statistically significant at 0.05 level of significance since the P-value (0.00) was less than 0.05 and therefore we reject the null hypothesis and conclude that there was a significant relationship between Communication skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council

Table 11: ANOVA values for Communication skills and Performance of Small-scale enterprises

Model		coefficients	df	Mean Square	F	Sig.
1	Regression	7.789	1	7.789	86.479	.000 ^b
	Communication skills	10.627	118	.090		
	Total	18.416	119			
a. Dependent Variable: Performance of Small-scale enterprises						
b. Predictors: (Constant), Communication skills						

Source; Primary Data, 2022

Ha: There's no significant positive relationship between communication skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Ha: There's a significant positive relationship between communication skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Keeping other factors constant, a one percent increase in communication skills will on average lead to 10.627 increase in the entrepreneurial performance of small-scale enterprises in Kyengera Town Council. This is statistically significant at 95% confidence interval since the P-value (0.005) is less than 0.05 and therefore we reject the null hypothesis and conclude that there's a significant positive relationship between communication skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Table 12: Correlation between technical skills and performance of small-scale enterprises

		Technical skills	Performance of Small-scale enterprises
Technical skills	Pearson Correlation	1	.453**
	Sig. (2-tailed)		.056
	N	120	120
Performance of Small-scale enterprises	Pearson Correlation	.453**	1
	Sig. (2-tailed)	.056	
	N	120	120
**. Correlation is significant at the 0.01 level (2-tailed).			

Source; Primary Data, 2022

Ho: There's no significant positive relationship between technical skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Ha: There's a significant positive relationship between technical skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Findings of the study in table 12 above show the relationship between technical skills (independent variable) and the performance of Small-scale enterprises s (dependent variable). It shows that through bivariate means, the correlation between financial and business performance (0.453) implies that there is a weak positive relationship between the two variables. This is statistically insignificant at 95% confidence interval since the P-value (0.056) is greater than 0.05 and therefore we accept the null hypothesis and conclude that there is no significant relationship between technical skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council

Table 13: Model summary for technical skills and Performance of Small-scale enterprises

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.453	.205	.198	.35227
a. Predictors: (Constant), Technical skills				

Source; Primary data, 2022

Ho: There's no significant positive relationship between technical skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Ha: There's a significant positive relationship between technical skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Keeping other factors constant, a one percent increase in technical skills would on average lead to 0.453 percent increase in the dependent variable. This is statistically insignificant since the P-value 0.056 is greater than 0.05 and therefore we reject the null hypothesis and conclude that there was no relationship between technical skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council.

Conclusions

The first research objective was stated as, "To assess the relationship between planning skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council" and the first research question was stated as, "What is the relationship between planning skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council?" The study concludes based on the adjusted R Square, that 46.9% of finance performance in Kyengera Town Council is influenced by planning skills, the remaining 53.1% of performance of Small-scale enterprises being explained by other factors such as lending terms and liquidity and planning skills positive affects the performance of Small-scale enterprises in Kyengera Town Council considering Pearson product-moment correlation coefficient of $r = 0.688$.

Recommendations

The study recommends that SMEs in all sectors in Uganda should enhance managerial planning skills as a tool and a concept to be used in improving organizational performance. This is because once the level of problem analysis is improved, accuracy in forecasting and goal setting is enhanced among SMEs then profitability is achieved, as well as product quality and hence sales growth.

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