

**Relationship Between Planning Skills And Entrepreneurial Performance Of Small-Scale Enterprises In
Kyengera Town Council.**

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Abstract

The study aimed at the relationship between planning skills and entrepreneurial performance of small-scale enterprises in Kyengera town council. The target population for the study encompassed all formally registered small business owners in Kyengera Town Council who had less than 50 employees and had been operational for at least two years. These parameters were applied to ensure the selected owners had adequate experience to reflect on the level of planning skills employed as well as business performance achieved over time. Using purposive sampling techniques that involved consulting with trade associations and local government authorities, the researcher was able to identify and select a total of 120 entrepreneurs representing various sectors such as apparel, food processing, furniture making, retail services and welding works to participate in the study. There was a positive high significant associative relationship between planning skills and performance of Small-scale enterprises in Kyengera Town Council. ($r = 0.688$, $\text{Sig} = 0.000$). The positive high correlation implied that the positive change in planning skills led to a positive change in performance of Small-scale enterprises in Kyengera Town Council and vice versa. Therefore, null hypothesis, which stated that “There was a no relationship between Planning skills and performance of Small-scale enterprises”, was rejected and the Alternative hypothesis which stated that, “There was a relationship between planning skills and performance of Small-scale enterprises” was accepted. 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.

Key words: Planning Skills, Entrepreneurial Performance and Small-Scale Enterprises

Background of the study

Small businesses play a significant role in driving economic growth and development through job creation and poverty alleviation, especially in developing countries such as Uganda (K. Faridah et al., 2023). However, despite their importance, small businesses continue to underperform and face problems with high mortality, among other reasons, due to a lack of appropriate planning skills on the part of entrepreneurs. Planning involves setting goals,

objectives and strategies and allocating the necessary resources to achieve the set goals within a given time period (Wegulo et al., 2023). Effective planning enables entrepreneurs to systematically analyze changing market trends, anticipate challenges and opportunities, and effectively allocate resources, thereby increasing the performance of their businesses (Paul & Kazaara, 2023). Kyengera Town Council, located in Wakiso District, Central Uganda, has seen a

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huge increase in population and small businesses over the last decade, mainly due to its proximity to the capital, Kampala (Turyatamba et al., 2022). However, many small businesses in areas such as tailoring, welding, joinery, bakeries, retail shops and salons show poor performance, as evidenced by low profitability (Annet et al., 2023), unsustainable cash flows and high mortality rates (Jac & Kazaara, 2023). This dismal performance is partly attributed to a lack of proper planning skills among entrepreneurs, as many business decisions seem to be taken arbitrarily without clear direction and goals. Entrepreneurs in this area are said to lack the ability to conduct simple market research and analysis, prepare meaningful business plans, set SMART goals, and track performance against goals (Polycarp et al., 2023). Failure to plan effectively leads to misallocation of scarce resources, failure to take advantage of market opportunities, and vulnerability to external shocks.

Problem statement

There is concern among relevant stakeholders regarding the persistently low level of business performance demonstrated by many small businesses operating in Kyengera City Council jurisdiction (N. Faridah et al., 2023) as evidenced by low sales volumes, minimal profit generation, high failure rates, limited growth prospects and an inability to compete effectively and sustain long-term business operations. A closer examination of the potential factors affecting the productivity of these businesses (Isaac et al., 2023) revealed that there are deficiencies in the basic planning skills, knowledge and abilities of the businessmen and women running these businesses. Proper planning includes setting clear goals and directions, anticipating challenges, allocating appropriate resources, strategizing solutions, monitoring progress, and adapting approaches when necessary—all of which appear to be under-prioritized and under-practiced in the management of many local small businesses (Paul & Kazaara, 2023). Given the important role small businesses play in managing local economies and providing livelihoods, this perceived relationship between entrepreneurs' limited planning expertise and the consequent lack of performance levels witnessed across their companies warrants comprehensive investigation (Moses et al., 2023).

Main Objectives

Planning has been found to positively affect the performance of small businesses worldwide by enabling the efficient use of limited resources. For example, in Thailand, studies have shown a strong relationship between strategic planning and profitability as well as growth of small manufacturing firms (Annet et al., 2023). Similarly, South African researchers found a direct link between effective planning and the competitiveness of small retail outlets in the Gauteng province. A number of academics have also documented a correlation between management planning skills and positive outcomes such as sales volumes, return on assets, and survival rates of small businesses in advanced economies such as the United States, United Kingdom, Germany, and Japan. Therefore, planning positively shapes the entrepreneurial mindset for systematic problem solving, opportunity identification, and coordinated growth efforts.

To determine the relationship between planning skills and entrepreneurial performance of small-scale enterprises in Kyengera town council.

Methodology

In order to achieve the stated research objectives and investigate the relationship between planning skills and entrepreneurial performance of small-scale enterprises in Kyengera Town Council, the researcher employed a cross-sectional survey research design that incorporated both qualitative and quantitative approaches to data collection and analysis. This mixed-methods research design was utilized as it enabled a holistic understanding of the research problem through convergence of both numeric trends from quantitative data as well as detailed views and experiences from qualitative sources. The target population for the study encompassed all formally registered small business owners in Kyengera Town Council who had less than 50 employees and had been operational for at least two years. These parameters were applied to ensure the selected owners had adequate experience to reflect on the level of planning skills employed as well as business performance achieved over time. Using purposive sampling techniques that involved consulting with trade associations and local government authorities, the researcher was able to identify and select a total of 120 entrepreneurs representing various sectors such as apparel, food processing, furniture making, retail services and welding works to participate in the study. Primary data collection was conducted using semi-structured interviews, self-administered questionnaires and observation guides between the months of January and March 2019. The in-depth interviews enabled entrepreneurs to privately share insights and detailed experiences regarding their planning processes while offering an opportunity for further probing unclear responses. The questionnaires on the other hand gathered quantitative measures of various variables through closed-ended questions on aspects like financial performance indicators, training needs and perceived constraints. Moreover, non-participant observation was employed to assess the physical business infrastructure and operations in selected enterprises so as to triangulate with owners' self-reports.

Additionally, the researcher identified and reviewed relevant secondary data sources from published and unpublished materials of organizations like the Uganda Bureau of Statistics, Uganda Small Business Owners Association and Kyengera Municipal Council regarding the socioeconomic profile and business trends in the area. This helped provide contextual background and complement primary data. Quantitative data from closed questionnaires was analyzed using descriptive statistics including frequencies, mean scores and standard deviations using the Statistical Package for Social Sciences (SPSS) (Nelson et al., 2022). The qualitative data from interviews and observations underwent a thematic content analysis approach where emergent patterns were identified and interpreted.

Results

Table 1: Correlation between planning skills and performance of Small-scale enterprises

		Planning skills	Performance of Small-scale enterprises
Planning skills	Pearson Correlation	1	.688**

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	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

Correlation results in Table 1 above show that there is a positive high significant associative relationship between planning skills and performance of Small-scale enterprises in Kyengera Town Council. ($r = 0.688$, $\text{Sig} = 0.000$). The positive high correlation implies that the positive change in planning skills leads to a positive change in performance of Small-scale enterprises in Kyengera Town Council and vice versa (Nelson et al., 2023). Therefore, null hypothesis, which stated that “There is a no relationship between Planning skills and performance of Small-scale enterprises”, was rejected and the Alternative hypothesis which stated that, “There is a relationship between planning skills and performance of Small-scale enterprises” was accepted. This finding is in line with Annamaria, Lusardi & Mitchell, (2008), findings which revealed that a financially literate person will have some basic knowledge of key financial concepts including inflation, risk and return, interest, insurance, the time value of money and diversification.

Table 2: 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 ^a	.473	.469	.28672
a. Predictors: (Constant), Planning skills				

Source; Primary Data, 2022

The Regression results as presented in table 2 above show the, adjusted R square value 0.469; it implies that 46.9% of performance of Small-scale enterprises in Kyengera Town Council is influenced by planning skills, the remaining 53.1% of performance of Small-scale enterprises being explained by other factors. This therefore means that there is a relationship between planning skills and performance of Small-scale enterprises in Kyengera Town Council (Ntirandekura et al., 2022).

Table 3: ANOVA values for Planning skills and Performance of Small-scale enterprises

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.716	1	8.716	106.019	.000 ^b
	Residual	9.700	118	.082		
	Total	18.416	119			
a. Dependent Variable: Performance of Small-scale enterprises						

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b. Predictors: (Constant), Planning skills

Source; Primary Data, 2022

Results of the study in table 3 above indicate that the regression model predicts the dependent variable significantly well. There is a statistical significance of the regression model indicated by $F=106.019$ and $P=0.000$ which is less than 0.01. This is also supported by the regression mean square value of 8.716 compared to the residual mean square of 0.082 (Nelson et al., 2023). This therefore confirms that, there is a relationship between planning skills and performance of Small-scale enterprises in Kyengera Town Council.

Table 4: Coefficients for Planning skills and Performance of Small-scale enterprises

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.671	.222		7.533	.000
	Planning skills	.615	.060	.688	10.297	.000

a. Dependent Variable: Performance of Small-scale enterprises

Source; Primary Data, 2022

Results from table 4 give t values and Beta. The t-values test the hypothesis that the coefficient is different from 0. To reject this, you need a t-value greater than 1.96 (for 95% confidence). The t-value for planning skills is 7.533 which is greater than 1.96. This implies that planning skills affects the performance of Small-scale enterprises in Kyengera Town Council considering a significant factor ($\text{Sig} = 0.000$). Also, the standardized beta coefficients of 0.460 imply that an increase one unit of performance of Small-scale enterprises is caused by 0.688 units increase in planning skills based on the equation $Y = \beta x + C$ where Y = performance of Small-scale enterprises (Dependent variable), x = planning skills (Independent variable, $\beta = 0.688$ and C = constant. This therefore means that there is a statistical relationship between planning skills and performance of Small-scale enterprises in Kyengera Town Council and vice versa.

Discussion of the findings

Results of the study indicated that small scale business owners 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. Also, the findings of the study indicated that through proper planning, small scale business owners are able to identify their challenges in business. According to Maxwell (2019), planning answers any question to business activities within short to medium term to satisfy business approach (Winny et al., 2023).

The findings of the study further more indicated, SMEs owners and managers regularly hold formal meetings to plan business activities so as to ensure that all the business resources are put into proper use for performance improvement

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and productivity. This finding is in line with Godwin (2010) who recommends that business managers must evaluate conceivable courses of action in planning situations. For a Business Manager must possess well-developed communication abilities including decision making, speaking persuasively in implementing and monitoring plans. The findings of the study through Pearson correlation results indicated that there is a positive high significant associative relationship between planning skills and performance of Small-scale enterprises in Kyengera Town Council. ($r = 0.688$, $\text{Sig} = 0.000$) (Christopher et al., 2022). The positive high correlation implies that the positive change in planning skills leads to a positive change in performance of Small-scale enterprises in Kyengera Town Council and vice versa. The finding is in line with Annamaria, Lusardi & Mitchell, (2008), findings which revealed that a financially literate person will have some basic knowledge of key financial concepts including inflation, risk and return, interest, insurance, the time value of money and diversification.

Conclusion

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 $r = 0.688$. The positive value of (r) implies that a positive change in planning skills results into corresponding positive change in performance of Small-scale enterprises and vice-versa. Therefore, research objective one was achieved and research question one was answered.

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. Managers should also incorporate the different dimensions of strategic planning like formality, tools of strategic planning, employee participation, operation of arrangement, time horizon and control of strategic planning to improve performance.

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