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Original Article

ORGANIZATIONAL FACTORS AND PERFORMANCE OF PREMIER DISTILLERS UGANDA LIMITED IN KYANKWANZI DISTRICT, UGANDA A CROSS-SECTIONAL STUDY.

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Abstract
Background
The role played by small and medium enterprises in the economic activity of Uganda is significant. Many nations, both developed and developing, emphasized that the small industry sector is a useful vehicle for growth. This study examined the Organizational factors and performance of Premier Distillers (u) Ltd in Kyankwanzi district, Uganda.

Methodology
The study employed a cross-sectional survey, combining qualitative and quantitative data collection methods. A total of 134 workers from Leather Industries Ltd were selected as the actual population. The study used both simple random and purposive sampling procedures. The quantitative data was analyzed using SPSS.

Results
48 (68.6%) of the respondents were male, 40 (57.5%) were below 30 years, regression analysis revealed that entrepreneurial culture does not have a significant effect on the performance of SMEs in Uganda ($F=0.035$, $df = 1$, $p>0.05$ ($=0.852$)), it also revealed that human resource capacity has a significant influence or effect on performance of SMEs in Uganda ($F=21.835$, $df = 1$, $p<0.05$ ($=0.000$)) and it further revealed that strategic planning practices has a significant influence or effect on performance of SMEs in Uganda ($F=7.886$, $df = 1$, $p<0.05$ ($=0.000$)).

Conclusion
The study found that entrepreneurial culture does not have a significant effect on the performance of SMEs in Uganda. The study also notes that human resource capacity has a significant impact on the performance of SMEs in Uganda. The study points out that strategic planning practice have a significant effect on the performance of SMEs in Uganda.

Recommendations
The study recommends that leaders in SMEs should relevantly orient their staff and other stakeholders on entrepreneurial culture, and proprietors in SMEs should invest in seeking advice on growing businesses based on values and principles.

Keywords: *Organizational factors, Organizational performance, Premier Distillers Uganda Limited, Kyankwanzi District.*
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Background
The role played by small and medium enterprises in the economic activity of Uganda is significant. Many nations, both developed and developing, emphasized that the small industry sector is a useful vehicle for growth. The government, through the National Development Plan (2008), has laid down strategies for supporting SMEs in the country, for example, tariff reduction on inputs. However, many small and medium enterprises in Uganda have failed to survive and perform even after some years of protection by the government (National Development Plan, 2021).
In 2022, the government attempted to adjust the money supply by raising the discount rate which is the rate at which commercial banks borrow from the central bank led to an increase in the interest rate which prevented many small-scale businesses from borrowing money from commercial banks hence the closure of some SMEs in Uganda (Ministry of Trade and Industry Report, 2015). However, some businesses in Uganda are failing to celebrate their first anniversary. (Jjingo, 2021) Noted that more than 67 Small and Medium Enterprises closed in Uganda between 2018 and 2022.
There are performance gaps amongst SMEs in terms of growth, expansion, level of capital, number of people employed, ability to pay off debts, and return on investment. (Danish et al., 2019) advanced factors like failure to have an entrepreneurial culture, limited human resources, and failure to plan. The majority of the businessmen in Uganda have complained about variable interest rates, inflation, failure to access credit and market information, and high energy prices (SEDC Report, 2020). It is very common in the study area for a business

to open up today and close the following day. There is fear that if the existing question is not addressed, many SMEs are likely to close in the future, hence affecting the economic growth of Uganda. Therefore, the study explored the key factors affecting the performance of SMEs, which are entrepreneurial culture, human resource capacity, and strategic planning, and suggested mitigation measures for the problem of performance in terms of growth, level of capital, number of people employed, ability to pay off debts and return on investment.

SMEs are regarded as the 'backbone' of the economy (Musisi, n.d.), employing more than 2.5 million people, constitute up to 90 percent of the private sector, and contribute over 70 percent to total GDP. According to Uganda's National Development Plan 2010/11 - 2014/15, SMEs were at the forefront of policy design and implementation of socio-economic transformation, National Development Plan of Uganda 2010/2015. SME failure in Uganda is largely attributed to the inability of financial managers to plan and control properly the current assets and current liabilities of their respective firms ((Eton et al., 2021). The Uganda Investment Authority (UIA) has provided SMEs with business-related information and nurtured and enhanced their growth and competitiveness. UIA provided publicity and advocated for and on behalf of SMEs, as well as created sustainable partnerships with promoters of SMEs. Some of the challenges SMEs faced in Uganda included: a lack of entrepreneurial skills, limited access to machinery, finance, and markets, and limited business records. This is done through a network of SME member associations, for example, Uganda Small Scale Associations and Uganda Women Entrepreneurs Association Limited (UWEAL).

UIA sought to maximize the growth potential, prosperity, and sustainability of small businesses through enhanced access to information and business advice. In line with this, the SMEs division provided first-hand business information on investment opportunities in Uganda to walk-in SMEs. SMEs usually need business-related information on markets, prices, taxes, business management, financial management, business planning, and general business advice.

UIA has continued to engage with key stakeholders to improve the investment climate for SMEs.

This has been done through research, publication, and active participation in the Presidential Investors Round Table. SMEs in Uganda employ about 2.5 million people, constituting 90% of the private sector and contributing over 70% to the total Gross Domestic Product (GDP) of Uganda. To galvanize the efforts of SMEs, the Uganda Small Scale Industries Association (USSIA) came into operation. The goal of USSIA was to promote the growth and competitiveness of SMEs, with a particular focus on those that add value to their products, for example textiles, agro-processing, metal fabrication, carpentry and woodwork, and chemicals, among others. This study examined the Organizational factors and performance of Premier Distillers (u) Ltd in Kyankwanzi district, Uganda.

Methodology

Research Design

The study adopted a cross-sectional survey with a combination of qualitative and quantitative data collection methods. A cross-sectional survey design was chosen because it allowed for the collection of data at the time of the study.

Study Population

Leather Industries Ltd has an actual population of 134 workers. These workers include factory machine operators, supervisors, managers, legal advisors, top executives, security guards, genitors, drivers, environmentalists, and marketers, as well as public relations officers. However, the target population for this study was 98 people, comprising board members, managers, and staff members. Using the Krejcie and Morgan tables for sample size determination, a sample/accessible population for this study was determined to be 87 respondents, as detailed in the sections below. Except for staff members who were sampled using simple random sampling, board members and managers were sampled using purposive/non-probabilistic sampling.

Table 1: Population, Sample, and Sampling Techniques

Population category	**Population (N)**	**Sample (n)**	**Sampling technique**	**Data Collection Method**
Board members	7	7	Purposive	Interviewing
Managers	10	10	Purposive	Interviewing
Staff members	81	68	Simple random	Questionnaire Survey
Total	**98**	**87**		

Source: This data was generated based on records files at Premier Distillers (U) Ltd., also guided by Krejcie and Morgan (1970) Tables for sample size determination.

Determination of the Sample Size

The sample size was determined using the Krejcie and Morgan Table for sample size determination (1970). The population categories of board members, managers, and staff members were chosen as the target categories for this study because they are the categories best positioned to respond constructively to the research questions of the study. It is based on these target categories that the number of the target population has been determined, as well as the sample size for each population category using Krejcie and Morgan's (1970) tables for sample size determination.

Sampling Procedures

The study used both simple random and purposive sampling procedures (Mugenda & Mugenda, 2003). The population's respective numbers have been arrived at based on the fact that those are the people who are targeted for the report and are accessible. The population category of staff members is bigger than the rest of the categories because this category constitutes the majority of the population at PREMIER DISTILERS (U) LTD. The respective samples selected were based on the accessible population but also guided by Krejcie and Morgan tables for sample selection and determination (1970).

Simple Random Sampling

This is where the sample is selected in such a way that every item (unit) in the population has an equal chance of being selected or included, so that it is possible to confidently make estimates about the total population based on the sample results. The study used simple random sampling to target staff members.

Purposive Sampling

Purposive sampling is where particular portions of the population are deliberately targeted due to their expertise and resourcefulness on the matters under investigation. Purposive sampling is when the researcher specifically targets certain people due to their knowledge about the research subject.

Data Collection Methods

This section presents the various methods of data collection that were used in this study, including document review analysis, interview method, and questionnaire survey.

Document Review analysis

Documentary review analysis involves analysis of the relevant and topical literature that is related to the study. Documentary review analysis focuses on literature that is in line with the objectives of the study. The advantages of conducting documentary review analysis are that it allows the researcher to learn more about the subject under investigation as addressed by previous researchers. It enriches the research with various points of view. Documentary review analysis secures information from textbooks, journals, etc., as well as reports from the organization under study, in this case, Leather Industries Uganda. Some of the documents and reports that were analyzed are: statement of financial position, strategic plans, and employee human resource records.

Interview Method

Face to face interviews was used to collect data from board members and managers of PREMIER DISTILERS (U) LTD.

Questionnaire Survey Method

The questionnaire survey method was used because it preserves respondents' privacy, and it is also cheap and quick. The researcher formulated structured self-administered questionnaires and distributed them to the respondents. Sensitive information, public consumption like income levels, could favorably be covered by the questionnaire method. (Mugenda & Mugenda, 2003)

Data Collection Instruments

The instruments that were used in this study include a document review guide, interview guide and questionnaires.

Document Review Checklist

This is a pre-prepared instrument that was used to collect information from the business source records concerning its profitability, the level of education of employees, and business plans.

Interview Guide

The items on the interview guide were developed based on the dimensions under the independent variable and those under the dependent variable. The items on the interview guide are also based on the three research questions of the study, which were also generated from the conceptual framework. The questions on the interview guide are in line with the questions on the questionnaire, but these were asked in an in-depth manner that helped bring out deeper insight from board members only (Mugenda & Mugenda, 2003).

Questionnaire

A questionnaire was used because it is easy to administer and analyze. It is also economical in terms of time and money. Both closed and open-ended questions were asked on the administered questionnaire (Mugenda & Mugenda, 2003). The questionnaire contained four sections: a section on the personal details about the respondent, and the remaining three sections, each, contained questions about the three research questions.

Data Quality Control

This section explains how the study ensured research instruments were valid and that both qualitative and quantitative data were reliable. Validity of qualitative data was gauged by a pre-test of the interview guide.

Pre-testing

Pre-testing was done using 5 staff members to validate the questionnaire and interview guide for targeted respondents. The purpose of conducting a pre-test is to test the rigor of the appropriateness of the research questionnaire tool. The pre-testing ensured clarity and consistency throughout the study (Mugenda & Mugenda, 2003). However, changes may be made to the questionnaires after pre-testing if there is a need to.

Validity

To ensure the validity of the research tool, the researcher aligned questions about each objective. The rating of using Likert scale; strongly disagree, disagree, neither agree nor disagree, agree, and strongly agree were put clearly at the top of each section of the questionnaire. A research instrument is valid if it meets all the requirements of a scientific research experiment and accurately achieves the purpose for which it is designed (Mbabazi, 2013; Patten, 2004). One needs assurance that the instrument being used results in accurate results and conclusions. In this research, to ensure validity of the instruments, the expert review of the supervisors was conducted, and also by computing its content validity index (CVI) using the formula below.

$$CVI = \frac{\text{Number of items declared valid}}{\text{Total number of items}} = 20/22 = 0.90$$

A CVI of 0.7 and above is considered valid.

Reliability

The research questions for each measurable variable were pre-tested for reliability and to determine a coefficient of alpha above 0.70, which is always considered reliable (Cronbach, 1951). The coefficient of alpha is useful for estimating reliability in a particular test, and if a test has a large alpha, then it can be concluded that a large portion of the variance in the test is attributable to the general and group factors. A large coefficient of alpha implies that there is very little item-specific variance. Reliability, according to Amin (2005), is the degree to which a measuring instrument is free from error or yields consistent results when used over different periods of time. The Cronbach's Alpha approach was used to measure the consistency of the items corresponding to the selected variables in the questionnaire. Items with an Alpha coefficient score of less than 0.7 were considered in further analysis. The reliability of the interview guide was confirmed during the pre-test of data collection instruments. Five pre-test interviews were conducted targeting some of the respondents at PREMIER DISTILERS (U) LTD to gauge whether the questions and issues on the interview guide are clear and cover all the important issues of the study.

Table 2: Reliability Analysis

Variable	Alpha Cronbach's coefficient	No. items retained
Entrepreneurial culture	0.788	5
Human resource capacity	0.841	5
Strategic planning practices	0.846	5
Performance	0.728	5
Entire data collection tool	0.875	20

Source: Primary Data

Table 2 shows a Cronbach alpha of 0.788 for entrepreneurial culture with 5 items, 0.841 for human resource capacity with 5 items, 0.846 for strategic planning practices with 5 items, 0.728 for performance with 5 items, and 0.875 for all the variables under study, totaling 20 items. The tool therefore passed the test of reliability for each of the variables and all the variables since they were all greater than 0.7, given that the level of Cronbach that is adequate is any value equal to or greater than 0.7 (Amin, 2005). The instruments were therefore suitable for data collection

Procedure of Data collection

A successful defense of the proposal was followed by getting a letter of introduction to the field for data collection. Data collection was done over one month. A team of research assistants was led by the researcher in data collection. In the first week, data collection instruments were developed and pre-tested for validity and reliability before full application. Still in the first week, contacting and making appointments with respondents was done. In the second week, questionnaires were administered to selected respondents. This was done by two research assistants whose minimum qualification was a university degree. In the second week, interviews with key respondents were conducted. In the third week, all collected data were organized and sorted for correctness.

Data Analysis

Analysis of Quantitative Data

The quantitative data was analyzed using the SPSS (statistical package for social sciences) model after cleaning, editing and coding of the data. The analyzed data is presented descriptively in the form of percentages, tabulations, pie charts, histograms, means and standard deviations according to the objectives and finally the relationship between the independent and dependent variables was determined using the Pearson correlation matrix and regression analysis.

Analysis of Qualitative Data

Qualitative data was analyzed through comparison of the narratives, opinions, and the recurrent themes, benchmarking these narratives and opinions with industry standards and other researchers so that meaningful conclusions can be drawn.

Measurement of Variables

A five-point Likert scale was used to analyze the variables. Where; 1=strongly agree, 2=Agree, 3=Not sure, 4= Disagree 5= strongly disagree. Demographic data was analyzed using ordinal and nominal scales.

Results

Demographic Characteristics of the Sample

In this section, the demographic characteristics of the respondents are presented for only the data collected using the questionnaires. The section presents the gender, age, relationship, years of relationship, and education level of respondents in Premier Distillers (U) Ltd.

Table 3: Distribution of Respondents by Gender.

Gender	Frequency	Percentage
Male	48	68.6%
Female	22	31.4%
Total	**70**	**100.0%**

Source: Primary data

Table 3 shows that the majority of the respondents, 48 (68.6%), were male compared to 22 (31.4%) who were female. The majority of the respondents were male as they make up the biggest number of staff members.

Table 4: Distribution of Respondents by Age.

Age	Frequency	Percentage
Below 30 years	40	57.5%
Above 30 years	30	42.5%
Total	**70**	**100.0%**

Source: Primary data

Table 4 shows that the majority of the respondents, 40 (57.5%), were below 30 years, while 30 (42.5%) were above 30 years. The majority of the respondents were below the age of 30 because, overall, the biggest number of stakeholders in the organization, especially staff, are younger people. To have a high response from the majority age category of stakeholders is relevant since the day-to-day work of the organization and plans revolve around such younger people.

Table 5: Distribution of respondents by category

Relationship	Frequency	Percentage
Board members	2	2.9%
Manager	6	8.6%
Staff members	62	88.6%
Total	**70**	**100.0%**

Source: Primary data

Table 5 shows that the highest numbers of respondents (88.6%) were staff members, while the managers constituted 8.6%, compared to board members who contributed 2.9%. The high level of staff members' participation in the study is because they are the largest category of stakeholders, but also, they are at the center of the organization, so a large number of staff members were selected on purpose. This was relevant to the study since the views of the majority stakeholder category were well represented. Overall, the selection of the various categories of respondents gave the study varied viewpoints.

Table 6: Distribution of Respondents by Years of Relationship.

Years of relationship	Frequency	Percentage
1 - 3 years	30	42.4%
4 - 6 years	32	45.4%
7 years and above	8	12.1%
Total	**70**	**100.0%**

Source: Primary data

Table 6 shows that the highest number of respondents, 45.4% had between 4 - 6 years of relationship with the organization, while 42.4% had 1 – 3 years of relationship, and 12.1% had 7 or more years of relationship. The majority of respondents were in the category of 4 – 6 years because most staff members (who constituted most of the respondents) were mainly enrolled four years before the study. This is relevant since such respondents were more knowledgeable and acquainted with the organization, so they were able to give useful data.

Table 7: Showing Distribution of Respondents by Level of Education.

Education level	**Frequency**	**Percentage**
Primary	3	4.5%
Secondary	38	54.6%
University	29	40.9%
Total	70	100.0%

Source: Primary data from the field.

Table 7 shows that the majority of the respondents (54.6%) had a secondary education level, compared to 40.9% who had a university education level and 4.5% who had a primary education level. The majority of respondents were secondary level – these were deliberately selected, which gave the study valid perspectives on the issues that were investigated.

To establish the effect of the entrepreneurial culture on performance of SMEs in Uganda

Findings on performance of SMEs in Uganda

Performance of SMEs in Uganda was measured on the questionnaire using five statements, to which the respondents were required to show their level of agreement, disagreement, or indecisiveness.

Table 8: Frequencies, Percentages and Means on Performance of SMEs

Items	SA	A	N	D	SD	Mean	Std. Dev
I can tell that my business is doing well from the returns on capital employed	11.5% (7)	6.6% (4)	8.2% (5)	49.2% (30)	16.4% (10)	3.57	1.23
I can tell that my business is performing well from the return on assets	8.2% (5)	9.8(6)	8.2(5)	32.8% (20)	31.1% (19)	3.76	1.29
Expansion of my business in terms of size and the number employed indicates that my business is performing well	6.6%(4)	9.8%(6)	14.8%(9)	34.4%(21)	27.9%(18)	3.71	1.20
Strong job retention indicates that my business is doing well	6.6% (4)	8.2% (5)	11.5% (7)	31.1% (19)	32.8% (20)	3.83	1.27
When am able to pay off all my debts is an indicator that my business is performing well	6.6% (8)	11.5% (7)	8.2(5)	39.3% (24)	27.9% (17)	3.75	1.21

Source: Primary Data

Table 8 shows that, concerning whether they can tell that the business is doing well from the returns on capital employed, 11.5% strongly disagreed, 6.6% disagreed, 8.2% not sure, 49.2% agreed, and 16.4% strongly agreed. The mean = 3.57, which corresponds to agreed, indicated that the majority of the respondents agreed that they can tell that the business is doing well from the returns on capital employed. In confirmation, a respondent noted that;

"They can tell that the business is doing well from the returns on capital employed". Rumumba (2015) noted that to achieve the maximum impact, the sales growth must increase. It needs to concentrate on the 20 percent of products or services, and on the 20 percent of customers, that will account for 80 percent of the volume and 80 percent of the profit. Responses to the question as to whether they can tell that the business is performing well from the return on assets (63.9%) agreed, while 18% disagreed. The mean = 3.76 indicates that they can tell that the business is performing well from the return on assets. A manager said that they can tell that the business is performing well from the return on assets. As to whether expansion of the business in terms of size and the number employed indicates that the business is performing well, the respondents' responses indicated that cumulatively, 6.6%strongly disagreed,9.8% disagreed, 14.8% not sure, 34.4% agreed, and 27.9% strongly agreed. The mean = 3.71 was above the median score, three, which on the five-point Likert scale used to measure the items indicated that expansion of my business in terms of size and the number employed indicates that my business is performing well.

A supervisor noted that;

Expansion of the business in terms of size and the number of employees indicates that the business is performing well, since there are signs of growth.

Responses to the question as to whether strong job retention indicates that my business is doing well (63.9%) agreed, while 14.8% disagreed. The mean = 3.83 indicates that strong job retention indicates my business is doing well.

With respect to whether when I am able to pay off all debts is an indicator that the business is performing well, 6.6% strongly disagreed, 11.5% disagreed, 8.2% not sure, 39.3%agreed, and 27.9% strongly agreed. The mean = 3.75, which corresponds to agreed, indicated that the majority of the respondents agreed that when I can pay off all the debts, it is an indicator that the business is performing well

To establish the effect of the entrepreneurial culture on performance of SMEs in Uganda

To understand the views of the respondents on entrepreneurial culture, to establish whether it had any effect on the performance of SMEs in Uganda, the researcher used a total of five statements on the questionnaire to which the respondents were required to show their level of agreement or disagreement.

Table 9: Views of Respondents on Entrepreneurial Culture.

Response on Entrepreneurial Culture		frequency	Percentage (%)	Mean
PREMIER DISTILERS (U) LTD has a functional entrepreneurial policy	Totally Agree	42	60	1.429
	Agree	26	37.1	
	Not Sure	2	2.9	
	Disagree	0	0	
	Totally Disagree	0	0	
PREMIER DISTILERS (U) LTD organizational values are in line with entrepreneurship	Totally Agree	6	8.6	3.8
	Agree	12	17.1	
	Not Sure	6	8.6	
	Disagree	12	17.1	
	Totally Disagree	34	48.6	
PREMIER DISTILERS (U) LTD employs people that are entrepreneurial and competitive	Totally Agree	22	31.4	2.629
	Agree	16	22.9	
	Not Sure	6	8.6	
	Disagree	18	25.7	
	Totally Disagree	8	11.4	
	Totally Agree	0	0	2.8

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PREMIER DISTILERS (U) LTD has a highly skilled team for better performance	Agree	42	60	
	Not Sure	0	0	
	Disagree	28	40	
	Totally Disagree	0	0	
PREMIER DISTILERS (U) LTD entrepreneurial culture has led to better performance	Totally Agree	42	60	1.429
	Agree	26	37.1	
	Not Sure	2	2.9	
	Disagree	0	0	
	Totally Disagree	0	0	

Source: Primary data

Table 9 shows that the majority of the respondents were in agreement on all five statements used to measure entrepreneurial culture as elaborated below. The majority of the respondents (97.1%) agreed that Premier Distillers (U) LTD has a functional entrepreneurial policy, while 2.9% disagreed. Concerning whether Premier Distillers (U) LTD organizational values are in line with entrepreneurship, the majority (65.7%) disagreed, while 25.7% agreed, and 8.6% were not sure. The majority (54.3%) agreed that Premier Distillers (U) LTD employs people who are entrepreneurial and competitive, 37.1% disagreed, and 8.6% were not sure. The majority agreement that leaders are democratic indicates that stakeholders have a good working relationship with the leaders. This is necessary for efficiency and effectiveness to be achieved (De Waal, 2007).

The majority (60.0%) of the respondents agreed that Premier Distillers (U) LTD has a highly skilled team for better performance. 40.0% disagreed while the majority (97.1%) agreed that Premier Distillers (U) LTD's entrepreneurial culture has led to better performance. Only 2.9% disagreed.

Testing Hypothesis Number 1

The researcher proceeded to statistically establish whether entrepreneurial culture has a positive and significant effect on the performance of SMEs in Uganda. The researcher was guided by the following hypothesis:

Null Hypothesis: Entrepreneurial culture has a significant effect on performance in SMEs in Uganda

The hypothesis was preliminarily tested at a 95% level of significance (two-tailed) using Pearson's product-moment correlation coefficient, which measured the degree and direction of relationship between entrepreneurial culture and performance.

Table 10: Correlation Matrix Entrepreneurial culture on Performance

Study variables		Entrepreneurial culture	Performance
Entrepreneurial culture	Pearson Correlation	1	.023
	Sig. (2-tailed)		.852
	N	70	70
Performance	Pearson Correlation	.023	1
	Sig. (2-tailed)	.852	
	N	70	70

Source: generated by SPSS from primary data

Table 10 shows that there is a very weak positive relationship between entrepreneurial culture towards performance (r= 0.023, N=70). The relationship is, however, not statistically significant at a 95% confidence level since the p-value is greater than 0.050 (=0.852). Regression analysis was further used to establish the extent (if any) to which entrepreneurial culture affects performance.

Table 11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.023[a]	.001	-.014	.61193

a. Predictors: (Constant), Entrepreneurial culture

Source: generated by SPSS from primary data

Table 11 shows that the coefficient of determination (Adjusted R Square) is -0.014. A negative coefficient of determination is an indicator that the regression model is not statistically significant, since all square values must be positive. To assess the overall significance of the model, an analysis of variables (ANOVA) was done.

Table 12: Analysis of Variables (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.013	1	.013	.035	.852[b]
	Residual	25.463	68	.374		
	Total	25.476	69			

a. Dependent Variable: Performance

b. Predictors: (Constant), Entrepreneurial culture

Source: generated by SPSS from primary data

In determining whether a model is significant, the decision rule is that the calculated p-value (level of significance) must be less than or equal to 0.05. Since the calculated p-value of 0.852 is greater than 0.05, the model was not found to be statistically significant (F=0.035, df = 1, p>0.05 (=0.852)). This means that under the current situation, entrepreneurial culture does not have a significant effect on the performance of SMEs in Uganda.

Findings on the relationship between entrepreneurial culture and performance of SMEs

Research findings established that entrepreneurial culture does not have a statistically significant relationship with the performance of SMEs in Uganda. The findings further affirmed that entrepreneurial culture does not have a significant effect on the performance of SMEs in Uganda. Therefore, the hypothesis that stated that entrepreneurial culture has a significant effect on performance in SMEs in Uganda was rejected.

To assess the effect of human resource capacity on performance of SMEs in Uganda

In order to understand the views of the respondents on human resource capital, so as to assess whether it influenced the performance of SMEs in Uganda, the researcher used a total of five statements on the questionnaire to which the respondents were required to show their level of agreement or disagreement.

Table 13: Views of Respondents on Human resource capacity

Statements measuring Performance		**frequency**	**Percentage (%)**	**Mean**
PREMIER DISTILERS (U) LTD has a functional human resource policy	Totally Agree	10	14.3	2.657
	Agree	32	45.7	
	Not Sure	2	2.9	
	Disagree	24	34.3	
	Totally Disagree	2	2.9	
PREMIER DISTILERS (U) LTD builds the capacity of its staff members	Totally Agree	6	8.6	2.6
	Agree	40	57.1	
	Not Sure	2	2.9	
	Disagree	20	28.6	
	Totally Disagree	2	2.9	
PREMIER DISTILERS (U) LTD staff possess the skills relevant for improved performance	Totally Agree	8	11.4	2.371
	Agree	46	65.7	
	Not Sure	0	0	
	Disagree	14	20	
	Totally Disagree	2	2.9	
PREMIER DISTILERS (U) LTD capacity building is customized to fit organizational performance demands	Totally Agree	12	17.1	2.229
	Agree	44	62.9	
	Not Sure	2	2.9	
	Disagree	10	14.3	
	Totally Disagree	2	2.9	
PREMIER DISTILERS (U) LTD has enough well qualified staff to achieve long term organizational performance targets	Totally Agree	14	20	1.886
	Agree	52	74.3	
	Not Sure	2	2.9	
	Disagree	2	2.9	
	Totally Disagree	0	0	

Source: Primary data

Table 13 shows that the majority of the respondents were in agreement on all five statements used to measure human resource capacity, and one statement attracted mixed reactions as elaborated.

The majority, 42 (60.0%) of the respondents agreed that Premier Distillers (U) LTD has a functional human resource policy, 26 (37.2%) disagreed, and only 2 (2.9%) were not sure. The majority, 46 (65.7%), agreed that Premier Distillers (U) LTD builds the capacity of its staff members, 22 (31.5%) disagreed, and only 2 (2.9%) were not sure. The fact that the majority of respondents agreed that there was transparent budgeting in the Cocoanut Foundation is a positive sign of orderliness in how resources are attained and utilized. This is a necessary element towards the achievement of efficiency and effectiveness in organizations.

A majority, 54 (77.1%) of the Respondents Agreed That Premier Distillers (U) LTD staff possess the skills relevant for improved performance, while 16 (22.9%) disagreed. Similarly, the majority, 56 (80.0%) of the respondents agreed that Premier Distillers (U) LTD capacity building is customized to fit organizational performance demands, while 16 (17.2%) disagreed, and only 2 (2.9%) were not sure. The fact that the majority of the respondents affirmed that indeed there was an independent financial department and that staff in that department possessed the relevant financial management skills means that the organization has the potential to attain organizational effectiveness since, according to Horne (1986), one of the key influencers is proper processes and skills.

The majority, 66 (94.3%) of the respondents agreed that Premier Distillers (U) LTD has enough well-qualified staff to achieve long-term organizational performance targets, while only 2 (2.9%) disagreed, and a similar number were not sure.

Testing Hypothesis Number 2

The researcher proceeded to statistically assess whether human resource capacity has a significant positive influence on the performance of SMEs in Uganda. The researcher was guided by the following hypothesis:

Hypothesis: Human resource capital affects performance in SMEs in Uganda.

The hypothesis was preliminarily tested at a 95% level of significance (two-tailed) using Pearson's product-moment correlation coefficient, which measured the degree and direction of relationship between human resource capacity and performance.

Table 14: Correlation matrix human resource capacity and performance

Study variables		**Human resource capacity**	**Performance**
Human resource capacity	Pearson Correlation	1	.493*
	Sig. (2-tailed)		.000
	N	70	70
Performance	Pearson Correlation	.493*	1
	Sig. (2-tailed)	.000	
	N	70	70

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

Source: generated by SPSS from primary data

Table 14 shows that there is a moderate positive relationship between human resource capacity and performance (r=0.493, N=70). The relationship is statistically significant at a 95% confidence level since the p-value is less than 0.050 (=0.000).

Regression analysis was further used to establish the extent to which human resource capacity affects performance. The coefficient of determination was used.

Table 15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.493[a]	.243	.232	.53253

a. Predictors: (Constant), Human resource capacity

Source: generated by SPSS from primary data

Table 15 shows that the coefficient of determination (Adjusted R Square) is 0.232. This implies that human resource capacity accounts for 23.2% of the variance in performance. The other percentage (76.8%) is catered for by other factors, other than human resource capacity. To assess the overall significance of the model, an analysis of variables (ANOVA) was done.

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Table 16: Analysis of Variables (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.192	1	6.192	21.835	.000[b]
	Residual	19.284	68	.284		
	Total	25.476	69			

a. Dependent Variable: Performance

b. Predictors: (Constant), Human resource capacity

Source: generated by SPSS from primary data.

In determining whether a model is significant, the decision rule is that the calculated p-value (level of significance) must be less than or equal to 0.05. Since the calculated p-value of 0.000 is less than 0.05, the model was found to be statistically significant ($F=21.835$, $df = 1$, $p<0.05$ (=0.000)). This means that human resource capacity has a significant influence on the performance of MSEs in Uganda

Summative on relationship between human resource capacity and performance of SMEs

Research findings established that human resource capacity has a statistically significant relationship with the performance of SMEs in Uganda. The findings further affirmed that human resource capacity has a significant influence on the performance of SMEs in Uganda. Therefore, the hypothesis that stated that Human resource capital affects performance in SMEs in Uganda was accepted.

To assess of effect of strategic planning practices on performance of SMEs in Uganda

In order to understand the views of the respondents on strategic planning practices, so as to examine whether it has an effect on the performance of SMEs in Uganda, the researcher used a total of five statements on the questionnaire to which the respondents were required to show their level of agreement or disagreement.

Table 17: Views of Respondents on Strategic planning practices

Statements measuring Performance		**frequency**	**Percentage (%)**	**Mean**
PREMIER DISTILERS (U) LTD has a functional strategic plan	Totally Agree	20	28.6	2.086
	Agree	36	51.4	
	Not Sure	2	2.9	
	Disagree	12	17.1	
	Totally Disagree	0	0	
PREMIER DISTILERS (U) LTD management engages its team in periodical planning for the organization	Totally Agree	18	25.7	2.229
	Agree	34	48.6	
	Not Sure	2	2.9	
	Disagree	16	22.9	
	Totally Disagree	0	0	
PREMIER DISTILERS (U) LTD has clearly laid out tasks and performance targets	Totally Agree	20	28.6	2.257
	Agree	30	42.9	
	Not Sure	2	2.9	
	Disagree	18	25.7	

for each of the staff members	Totally Disagree	0	0	
PREMIER DISTILERS (U) LTD employees are able to perform as expected due to strategic planning	Totally Agree	14	20	2.429
	Agree	32	45.7	
	Not Sure	4	5.7	
	Disagree	20	28.6	
	Totally Disagree	0	0	
PREMIER DISTILERS (U) LTD bases its day to day organizational decisions based on the strategic plan	Totally Agree	10	14.3	2.457
	Agree	38	54.3	
	Not Sure	2	2.9	
	Disagree	20	28.6	
	Totally Disagree	0	0	

Source: Primary data

Table 17 shows that the majority of the respondents were in agreement on all the statements used to measure strategic planning practices.

The majority, 56 (80.0%) of respondents agreed that Premier Distillers (U) LTD has a functional strategic plan, while 12 (17.1%) disagreed, and only 2 (2.9%) were not sure. A majority, 52 (74.3%) of respondents agreed that Premier Distillers (U) LTD management engages its team in periodical planning for the organization, while 16 (22.9%) disagreed, and only 2 (2.9%) were not sure. Similarly, the majority, 50 (71.5%), agreed that Premier Distillers (U) LTD has laid out tasks and performance targets for each of the staff members, while 18 (25.7%) disagreed, and only 2 (2.9%) were not sure.

The majority of the respondents, 46 (65.7%), agreed that Premier distillers (U) LTD employees can perform as expected due to strategic planning, while 20 (28.6%) disagreed, and only 4 (5.7%) were not sure. Similarly, the majority, 48 (68.6%), agreed that Premier Distillers (U) LTD bases its day-to-day organizational decisions on the strategic plan, while 20 (28.6%) disagreed, and only 2 (2.9%) were not sure.

Testing Hypothesis Number 3

The researcher proceeded to statistically establish whether strategic planning practices have a significant positive effect on the performance of SMEs in Uganda. The researcher was guided by the following hypothesis:

Hypothesis: There is a significant relationship between strategic planning and performance in SMEs in Uganda.

The hypothesis was preliminarily tested at a 95% level of significance (two-tailed) using Pearson's product-moment correlation coefficient, which measured the degree and direction of relationship between strategic planning practices and performance.

Table 18: Correlation matrix strategic planning practices and performance

Study variables		Strategic planning practices	Performance
Strategic planning practices	Pearson Correlation	1	.322*
	Sig. (2-tailed)		.006
	N	70	70
Performance	Pearson Correlation	.322*	1
	Sig. (2-tailed)	.006	
	N	70	70

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

Source: generated by SPSS from primary data

Table 18 shows that there is a weak positive relationship between strategic planning practices and performance (r= 0.3223, N=70). The relationship is statistically significant at a 95% confidence level since the p-value is less than 0.050 (=0.006).

Further, regression analysis was used to establish the extent to which strategic planning practices affect performance. The coefficient of determination was used.

Table 19: Model Summary.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.322[a]	.104	.091	.57941

a. Predictors: (Constant), Strategic planning practices

Source: generated by SPSS from primary data

Table 19 shows that the coefficient of determination (Adjusted R Square) is 0.091. This implies that strategic planning practices account for 9.1% of the variance in performance. The other percentage (90.9%) is catered for by other factors, not strategic planning practices. To assess the overall significance of the model, an analysis of variables (ANOVA) was done.

Table 20: Analysis of Variables (ANOVA).

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.648	1	2.648	7.886	.006[b]
	Residual	22.829	68	.336		
	Total	25.476	69			

a. Dependent Variable: Performance

b. Predictors: (Constant), Strategic planning practices

Source: generated by SPSS from primary data

In determining whether a model is significant, the decision rule is that the calculated p-value (level of significance) must be less than or equal to 0.05. Since the calculated p-value of 0.006 is less than 0.05, the model was found to be statistically significant (F=7.886, df = 1, p<0.05 (=0.000)). This means that strategic planning practices have a significant influence on the performance of SMEs in Uganda.

Interview Responses

The researcher interviewed four of the six people who were intended for interview, focusing on key issues from each of the three objectives of the study. Below are the interview responses per objective. As far as the first objective of the study is concerned (to establish the effect of the entrepreneurial culture on the performance of SMEs in Uganda), respondents were asked about the existence of, and the nature of the business policy in Premier distillers (U) LTD to all the four interviewees confirmed that indeed Premier distiller's (U) LTD has a functional business policy which was developed six years ago. The respondents added that the business policy guides strategic decision-making. Some of the key issues indicated in Premier Distillers (U) LTD's business policy document include investment capital sources and market development. On the issue of staff competitiveness, most of the respondents, mainly board members, confirmed that Premier Distilers (U) LTD sources and hires staff with the most relevant skills, especially in leather tanning, product design, and marketing. It was indicated that Premier Distillers (U) LTD periodically refreshes the skills of its staff members, especially the machine operators and designers, to match changes in technology. As far as strategic management is concerned, respondents indicated that senior managers in Premier Distillers (U) LTD are sponsored to attend refresher courses on strategic management at the international level, where they are exposed to the latest strategic management approaches that ensure competitiveness and productivity. As far as the second objective is concerned (to assess the effect of human resource capacity on the performance of SMEs in Uganda), the researcher engaged respondents on the issues of staff capacity building in Premier Distillers (U) LTD. Most of the respondents indicated that indeed, Premier Distillers (U) LTD has a functional policy for staff capacity building. They also added that in the past five years, the capacity of a total of 37 staff members has been developed both through on-the-job training and off-the-job training. However, some of the respondents observed that, even with the current staff capacity building, Premier Distillers (U) LTD still faces some capacity challenges, especially concerning the operation of modern machines. After getting trained, some of the staff members leave the organization. This, according to the respondents, leaves the organization in a state of continuous training of staff members. Premier Distillers (U) LTD has not been able to retain some of its best-skilled staff members. This is related to the fact that staff members who leave are looking for better pay, and some are deliberately hired by Premier Distillers (U) LTD competitors. As far as the third objective is concerned (to assess the effect of strategic planning practices on the performance of SMEs in Uganda), the researcher engaged respondents on the existence and functionality of an organizational strategy. Most of the respondents said that, indeed, Premier Distillers (U) LTD has an organizational strategy for the next five years focused on product development, finance and financing, marketing, and human resources. The respondents also added that the current strategic plan, which lays out the financial goals, targets, and strategies, is based on the organization's development strategy. However, as noted by the respondents, the realization of Premier Distillers (U) LTD's organizational strategy is not a smooth process due to financing, tax, and competition issues. Overall, the respondents indicated that Premier Distillers (U) LTD is on course to achieve its performance targets in terms of profitability and sustainability.

To assess the effect of human resource capacity on the performance of SMEs in Uganda

Under objective two, the study sought to assess the influence of human resource capacity on the performance of SMEs in Uganda. In this study, human resource capacity was conceptualized mainly into three dimensions, namely, skills, competencies, and teamwork. The findings of the study revealed that human resource capacity has a significant relationship with the performance of SMEs in Uganda. The findings further indicated that human resource capacity significantly influences the performance of SMEs in Uganda.In line with the findings of the study that human resource capacity significantly influences performance, Cooper indicates that competent employees possess the necessary knowledge, skills, discipline, information, and self-confidence to attain the necessary growth rates at their respective workplaces, hence leading to high levels of institutional performance (Cooper, 1994). However, mere knowledge and skills may not lead to the desired performance among enterprises. The author further indicates that employees' work situation largely affects their performance and ultimately the performance of the organization as a whole. Poor pay, lack of vital equipment, tools, and supplies, heavy workload, struggling to deal with rude or otherwise difficult clients/customers, coping with uncooperative workmates, and being distressed by overly demanding and unfair bosses are the commonest hindrances to performance. She adds that limited skillfulness, limited resources, and poor leadership are hindering the realization of desired performance in organizations. This is true to a larger extent, but with poor pay and lack of equipment, tools, and supplies, this largely ignores the job scarcity in the country and the available jobs that SMEs provide. People are motivated by the available environment so as to keep their jobs, and thus, when given the right skills, will perform at the optimal standard for success.

To assess of effect of strategic planning practices on the performance of SMEs in Uganda

Under objective three, the study sought to ascertain the effect of strategic planning practices on the performance of SMEs in Uganda. In this study, strategic planning practices were conceptualized into three dimensions, namely, goal setting, supervision/monitoring, and reporting. The findings of the study revealed that strategic planning practices have a significant relationship with the performance of SMEs in Uganda. The findings further indicated that strategic planning practices significantly influence the performance of SMEs in Uganda. In agreement with the findings of the study, which found that strategic planning practices significantly influence the performance of SMEs in Uganda, (*Bartol, K. et al. (2011).*argued that strategic planning among SMEs needs to be focused on formulating business plans, identifying markets, hiring skilled workers, and complying with government regulations. For more established SMEs, it may necessitate developing skills in marketing, product development, process improvement, identification and use of new technology, information and communication technologies (ICT), increasing cooperation among staff and promotional internal teamwork, enhancing networking with suppliers, client, and other firms, and generally improving adaptability and flexibility to respond to changing market conditions and client needs. The study confirms this; there is no doubt that SMEs that plan adequately and have risk mitigation strategies thrive during periods of uncertainty due to the safety nets that they have set. I am, however, inclined to note that over-planning can sometimes mean failure to take sudden risks on hugely viable business ventures that can help an SME in its infancy.

Conclusion

This implies that improvements in entrepreneurial culture, for instance, by running a business based on clearly set values and aspirations, shall have a significant positive effect on the performance of SMEs in Uganda. If the management of SMEs in Uganda improves on entrepreneurial culture, for instance, by improving both financial management and human resources management, it would contribute to the performance of SMEs in Uganda.

From the findings, the study concluded that human resource capacity has a significant effect on the performance of SMEs in Uganda. This implies that improvements in human resource capacity, specifically training, provision of tools, and motivation, shall have a significant positive effect on the performance of SMEs in Uganda. If the management of SMEs in Uganda improves on human resource capacity, for example, by refining training, employees would increase the performance of SMEs in Uganda.

From the findings, the study concluded that strategic planning practices have a significant effect on the performance of SMEs in Uganda. This implies that improvements in strategic planning practices, such as making and sticking to budgets, conducting risk assessment, and selling, moving products and services, shall have a significant positive effect on the performance of SMEs in Uganda.

Management of SMEs in Uganda needs to improve on strategic planning practices, for instance, by designing feasible plans. This is most likely to increase the performance of SMEs in Uganda.

Recommendations

Leaders in SMEs should orient their staff and other stakeholders on the entrepreneurial culture in a relevant manner. This is largely important to enable all stakeholders to come up with innovative products as well as cost-cutting mechanisms that can enable an organization to improve its profitability and sustainability. This, in turn, will positively affect its performance.

Proprietors in SMEs should invest in seeking advice on growing businesses based on values and principles. This is largely because every company that is built to thrive should have a clear vision of where it is and where it is headed. The business should have all the available information as it seeks new opportunities.

SMEs should invest in capacity building to empower their staff with relevant skills in financial planning and record keeping. Financial planning is critical to have a firm standing. This enables a company to have resources available for investment as well as to meet a wide range of potential risks when they arise. Record Keeping through having proper ledger books to record all transactions enables proper resource utilization, thus promoting accountability, which is key to the success of SMEs.

SMEs should invest in setting up functional financial systems in their organizations to help improve financial management. A financial system that identifies sources of revenue as well as areas where that revenue is being spent is important to keep day-to-day track of company resources, which influence its performance when well utilized.

SMEs should also include in their staff appraisals an evaluation of how each staff member contributes to the success of the organization. Routine appraisal, countered with assessing the role each employee contributes to the final output of an SME, is important so as to find an optimal level at which employees should be motivated to perform, so as to help improve the performance of an organization.

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List of abbreviations

SMEs: Small and Medium Enterprises.
SPSS: Statistical Package for Social Sciences
ICT: Information and Communication Technology
UWEAL: Associations and Uganda Women Entrepreneurs Association Limited.
GDP: Gross Domestic Product.
UIA: Uganda Investment Authority

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There is no source of funding.

Conflict of interest

No conflict of interest declared.

Availability of data

Data used in this study is available upon request from the corresponding author

Author's contribution

VN designed the study, conducted data collection, cleaned and analyzed data, and drafted the manuscript, and MS supervised all stages of the study from conceptualization of the topic to manuscript writing and submission.

Ethical Approval

To remain ethical throughout the research process, the researcher sought informed consent from respondents before administering the questionnaires or conducting any interviews. The declaration of research purpose was properly done so that respondents are aware of what they are being asked to get into. Confidentiality of all information given by respondents was ensured. All data and information given by respondents were presented in their truest form, free from any manipulation. Names and other forms of identity of respondents were kept anonymous. Also, the research ensured that all materials used in this research are properly cited and referenced, as an acknowledgement of use.

Informed consent

A consent form was filled out by the respondents after explaining the purpose of the study to them. The respondents were assured of confidentiality as no names would appear on the questionnaire. No participant was forced to participate in the study, and all the study materials used during the interviews were safely kept under lock and key, only accessible by the researcher.

Author's biography

Violet Nabajja is a student of master's degree at School of Graduate Studies and Research, Team University.

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