MAKERERE UNIVERSITY

MAKERERE UNIVERSITY BUSINESS SCHOOL

MANAGEMENT FUNCTIONS, ORGANISATIONAL ENVIRONMENT AND PERFORMANCE OF LAW FIRMS IN RWENZORI REGION, WESTERN UGANDA

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A DISSERTATION SUBMITTED TO MAKERERE UNIVERSITY BUSINESS SCHOOL (FACULTY OF GRADUATE STUDIES AND RESEARCH), IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION OF MAKERERE UNIVERSITY

PLAN A

NOVEMBER, 2025

DECLARATION

I Adubango Harriet declare that this is my original research work and has never been submitted to any institution for any degree award.

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DEDICATION

This work is dedicated to you my love tail Stacy, we began

This journey together from your date of birth.

ACKNOWLEDGEMENT

I thank God for this far and acknowledge the fact that this journey was only possible because of your Special Grace.

I appreciate my supervisors Prof Vincent Bagire and Dr. Hojops Odoch whose wise guidance has enabled me successfully complete this work.

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ABSTRACT

The primary aim of this study was to investigate the relationship between management functions, organizational environment and the performance of law firms in the Rwenzori region of Western Uganda. The study sought to examine the relationship between management functions and performance of law firms, explore the relationship between organizational environment and the performance of law firms and lastly, to assess the relationship between management functions and organizational environment jointly on the performance of law firms. A cross-sectional survey was employed, utilizing quantitative research approach. The study targeted 51 law firms and the senior partner. Out of these, 48 law firms and 48 partners responded, yielding a high response rate of 94%. Data was analyzed using SPSS version 20. The research instrument used was a questionnaire which was first subjected to tests for reliability and validity to ensure accuracy and consistency of the findings. The findings revealed a statistically significant relationship between organizational environment and firm performance whereby a unit increase in organizational environment was associated with an average increase of 0.335 in firm performance ($\beta = 0.335$, $p \leq 0.001$). Similarly, a significant positive correlation was observed between management functions and firm performance ($r = 0.334$, $p < 0.01$). These findings imply that improvements in organizational environment and management functions are likely to enhance firm performance while deterioration in these factors may negatively impact performance. Furthermore, the combined influence of management functions and organizational environment accounted for 21% of the variance in firm performance (Adjusted $R^2 = 0.2095$). Controlling did not present statistical significance. Based on the study findings, it is recommended that Law firms should formulate clear strategic plans that outline objectives, targets and resource allocation to guide operations. They should enhance organizational structures by clearly defining roles, responsibilities and reporting lines to reduce duplication of work and improve coordination. They should also embrace and leverage technology by implementing modern legal practice management systems for case tracking, client management and document automation to improve efficiency. Law firms should study and adopt strategies used by high performing firms to stay competitive.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter comprises of the background, problem statement, purpose, objectives, research questions, scope, significance and conceptual framework.

1.2 Background

Performance is widely recognized as a multi-dimensional concept. Daft, (2010) defines performance as the ability of an organization to utilize its resources such as knowledge, people, funds and raw materials to achieve organizational goals and objectives in an efficient and effective way. It is the ability of an organization to reach its goals and optimize results (Madeline, 2022). Law firms are professional service organizations whose performance depends not only on the quality of legal expertise but also on how effectively they are managed and how well they manage organizational factors (Brock, 2006; Daft, 2010; Empson, 2017).

The classical management theorists Henri Fayol (1916), Koontz and O'Donnell (1976), and Daft (2010) identified five core functions of management, planning, organizing, staffing, leading, and controlling. Management has been defined as coordinating work activities so that they are completed efficiently and effectively with and through other people (Robbins & Coutler, 2018). Drucker (1954), defines management as a discipline that focuses on making people productive and achieving results. Management functions are essential for achieving organizational goals in all types of organizations, including law firms. In the modern legal sector, these management functions translate into strategic planning, case management, structuring the firm's human and material resources to achieve planned objectives, client relationship management, and performance monitoring (Empson, 2017). Globally, scholars view law firms as hybrid institutions that must balance professional autonomy with modern

business management practices (Brock, 2006). Studies in developed economies show that law firms that institutionalize formal management systems and leadership structures perform better than those relying solely on professional expertise (Brock, 2006; Lowendahl, 2005).

Organizational environment encompasses both the internal and external factors that affect the organization's operations and performance (Daft, 2010). These include economic, political, legal, competition, technological, and socio-cultural factors (Porter, 1980). Firms must align their strategies with external environmental conditions to remain competitive since an unstable environment can force changes in investment, product development or market expansion (Porter, 1980). For law firms, environmental dynamics such as changes in client expectations, legal reforms, market competition, and digital transformation have increasingly shaped firm strategies (Susskind, 2019).

Law firms worldwide are facing heightened competitive pressures, rapid technological change, and evolving client expectations, all of which challenge traditional business models and service delivery approaches (Robbins & Coulter, 2018; De Rebus, 2019). In the African, legal practices contend with limited managerial and institutional capacity, under-investment in technology, and talent retention issues that undermine their performance and sustainability (Kip, 2023; Parkitna, 2023). In Uganda, the law firm landscape is characterized by a mixture of large firms concentrated in Kampala and small to medium firms spread across regions (JLOS, 2021). These firms operate within a rapidly changing environment characterized by increased competition, regulatory reforms, technological transformation, and shifting client expectations (JLOS, 2021). They face challenges such as limited access to technology, weak management systems, vicious competition and low capitalization, all of which constrain performance (JLOS, 2021). The Rwenzori region, located in Western Uganda, though economically active in agriculture, tourism, and cross-border trade, has smaller and less formalized legal services market

(Rwenzori Regional Investment Profile, 2022). Law firms here often face unique contextual challenges such as limited client base, infrastructural constraints, vicious competition and restricted access to technology which may affect their performance (JLOS, 2022). In the recent past, none of the law firms in Rwenzori region, Western Uganda has stood out in national and international rankings in terms of their performance (Uganda Law Society reports, 2023). Existing studies on the performance of law firms in Uganda (e.g., Mukiibi, 2017; Tigogo, 2020) have largely focused on firms in Kampala, whose operating conditions differ significantly from those in other regions. These contextual realities make it uncertain whether existing findings from firms within Kampala apply to regional ones as well. This study seeks to investigate the cause of this dismal performance by analyzing the relationship between management functions, organizational environment and the performance of law firms in the Rwenzori region of Western Uganda.

1.2 Statement of the problem.

Globally, effective management and organization's responsiveness to volatile or competitive environments have been recognized as key determinants of organizational performance across all sectors, including professional service firms such as law firms (Empson, Muzio, Broschak, & Hinings, 2015). However, many law firms tend to focus primarily on professional legal expertise while paying limited attention to structured management practices and the organizational environment which often results in inefficiencies, poor client retention, and unsustainable growth **(**Brock, 2006; Pinnington & Morris, 2003). In Uganda, the legal services sector operates in an increasingly competitive and dynamic operating environment shaped by regulatory changes, competition, technological advancement, client sophistication, and economic fluctuations (JLOS, 2021). Law firms in Kampala have made strides in adopting modern management practices but the firms in Rwenzori region often face unique contextual challenges such as limited client base, infrastructural constraints, vicious competition and

restricted access to technology which may affect their performance (JLOS, 2022). In the recent past, none of the law firms in Rwenzori region, Western Uganda has stood out in national and international rankings in terms of their performance (Uganda Law Society reports, 2023). Most existing studies in Uganda have focused on law firms in Kampala (Mukiibi, 2017; Tigogo, 2020), thereby neglecting regional differences. This gap in empirical literature has left regional law firms without evidence based strategies for improving performance. It is against this background that this study seeks to investigate the relationship between management functions, organizational environment, and the performance of law firms in the Rwenzori region, Western Uganda.

1.3 Purpose of the study

The purpose of the study was to investigate the relationship between management functions, organizational environmental and the performance of law firms in the Rwenzori region of Western Uganda.

1.4 Research Objectives

The study was guided by the following objectives;

1. To examine the relationship between management functions and the performance of law firms in the Rwenzori region, Western Uganda
2. To examine the relationship between organizational environment and the performance of law firms in the Rwenzori region, Western Uganda
3. To assess the relationship between management functions, organizational environment jointly and the performance of law firms in the Rwenzori region, Western Uganda

1.5 Research questions

1. What is the relationship between management functions and the performance of law firms in the Rwenzori region, Western Uganda?

2. What is the relationship between organizational environment and the performance of law firms in the Rwenzori region, Western Uganda?

3. What is the relationship between management functions, organizational environment jointly and the performance of law firms in the Rwenzori region, Western Uganda?

1.6 Scope of the study

1.6.1 Subject scope

The study focused on exploring the relationship between management functions and the performance of law firms in Rwenzori region, Western Uganda, the relationship between organizational environment and the performance of law firms in Rwenzori region, Western Uganda, as well as the relationship between management functions, organizational environment jointly and the performance of law firms in the Rwenzori region, Western Uganda.

Management theory traditionally identifies five key functions planning, organizing, staffing, leading, and controlling as proposed by Fayol (1916) and elaborated by earlier scholars such as Koontz and O'Donnell (1976) and Daft (2010). This study focused on planning, organizing because these functions represent the strategic and structural dimensions of management, which are most relevant for performance measurement in small and medium professional firms (Brock, 2006). The organization environment comprises economic, political, legal, competition, technological, and socio-cultural factors (Porter, 1980). This study also focused on one internal factor technology and one external factor competition because these are the most volatile and rapidly changing aspects of the organizational environment. Firm performance is a multidimensional construct that reflects how effectively an organization

achieves its goals (Daft, 2010; Richard et al., 2009). For firm performance, the study relied on dimensions of growth (clients base, assets growth, branch expansion) (Brock, 2006; Empson, 2017) and employee satisfaction (welfare, staff retention, productivity) Empson (2017) as the dimensions where selected based on earlier scholarly studies.

1.6.2 Geographical scope

The study was conducted in 51 law firms (although only 48 complied) operating in Rwenzori region, Western Uganda in the districts of Kyegegwa, Kyenjojo, Bundibugyo, Kamwenge, Fortportal and Kasese. The choice of Rwenzori region, Western Uganda was based on findings contained in the JLOS, 2021/2022 report on outreach sensitization workshops conducted for advocates and Court User Committees in the region. The workshops were conducted in order to enhance the administration of justice through increased reporting of cases to law firms. At the workshops, the advocates reported low performance and declining clientele numbers while the population remained with poor perception of the law firms as only money extorting businesses.

1.6.3 Time scope

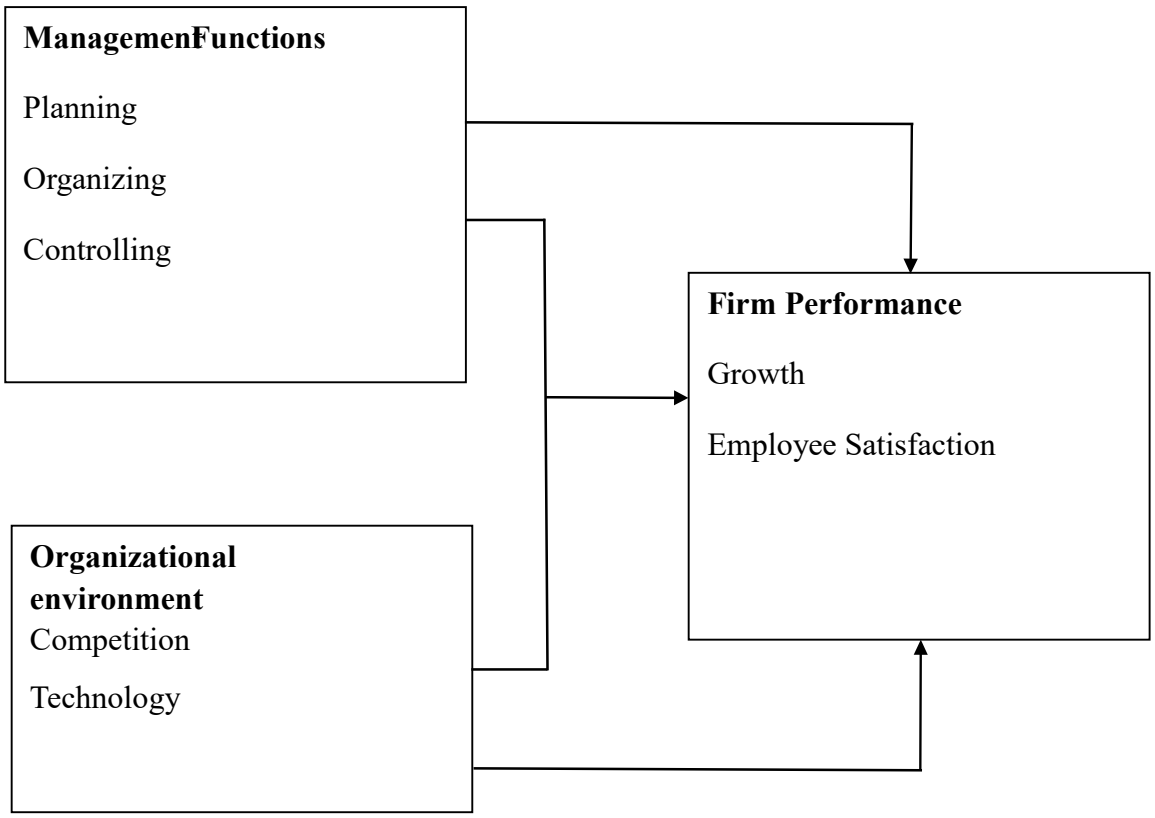
Data collection and analysis focused on the period between 2018 and 2023, capturing trends and insights within this 5-year timeframe to provide a comprehensive understanding of the variables under investigation.

1.7 Significance of the study

- This study will guide policy makers on appropriate interventions to improve legal practice in Uganda
- From the study, legal practitioners will understand what they need to incorporate in their practice for improved performance.

- The study will also provide scholarly insight into the relationship between management functions and firm performance, the relationship between environmental factors and firm performance and the relationship between both environmental factors and management functions jointly on firm performance.

FIGURE 1: 1.8 CONCEPTUAL MODEL



Source: Adapted from literature from Koontz and O'Donnell, (1976), Bayotiz, (1982), Stewart, (2019) and Santos and Brito, (2012).

EXPLANATION OF THE MODEL

In the above model, it is conceptualized that firm performance is the dependent variable and the independent variables are management functions and organizational environment. It is therefore conceptualized as follows; Management functions influence firm performance. Organizational environment influences firm performance. Management functions and organizational environment jointly influence firm performance. Management functions are measured by planning, organizing, and controlling (Koontz and O'Donnel, 1976), organizational environment is measured by competition and technology (Stewart, 2019) while firm performance is measured by growth and employee satisfaction (Santos and Brito, 2012).

CHAPTER TWO:

LITERATURE REVIEW

2.0 Introduction

This chapter presents a review of the existing theoretical and conceptual literature related to the key variables of the study; management functions, organizational environment and firm performance.

2.1 Theoretical Review

The study is anchored in two key theoretical frameworks that is the Resource-Based View (RBV) Theory and the Dynamic Capabilities Theory, both of which provide a strategic lens for understanding firm performance.

2.1.1 Resource-Based View (RBV) Theory

The Resource-Based View (RBV) Theory, as articulated by Barney (1991), is a strategic management model that asserts that a firm's ability to attain and sustain a competitive advantage is rooted in its possession of unique internal resources and capabilities. These resources must be valuable, rare, inimitable, and non-substitutable and effectively organized to exploit external opportunities and neutralize threats.

Unlike traditional strategic models that emphasize external market positioning, the RBV Theory focuses on the strategic value of internal assets such as specialized skills, proprietary technologies, brand reputation, and organizational processes elements that are difficult for competitors to replicate (Wernerfelt, 1984). Common assets like cash or vehicles are not considered strategic resources, as they can be easily acquired by competing firms.

In essence, the RBV Theory posits that firms are heterogeneous in terms of their internal resource endowments. Not all resources yield a competitive advantage, and those that do must possess attributes that make them sustainable over time. The theory underscores that

sustainable competitive advantage is more likely to result from the firm's internal strengths than from its external market positioning alone.

2.1.2 Dynamic Capabilities Theory

The Dynamic Capabilities Theory refers to a firm's capacity to integrate, build and reconfigure both external and internal resources and competencies in response to rapidly changing environments (Teece, Pisano, & Shuen, 1997). This theory extends the traditional Resource-Based View (RBV) by emphasizing not only the possession of valuable resources but also the firm's ability to adapt, renew, and transform its resource base over time to sustain competitive advantage in dynamic and uncertain markets.

Bhasin (2018) defines dynamic capabilities as the organization's inherent ability to purposefully and optimally adapt its resources and competencies to navigate environmental turbulence. The core objective of the theory is to enable firms to achieve and maintain a sustainable competitive advantage, cultivate a distinct identity within the industry, and strategically deploy core capabilities as sources of long-term advantage.

Bleady, Hafies, and Ibrahim (2018) argue that the emergence of the Dynamic Capabilities Theory was both an extension of and a response to the limitations of the Resource-Based View, particularly its inadequacy in explaining how firms develop, renew, and redeploy resources in volatile environments. According to these scholars, the theory aims to explain the internal processes and mechanisms through which organizations create new competitive advantages by continuously evolving their strategic resource configurations.

2.2 Conceptual Review

2.2.1 Management Functions

Management functions refer to the fundamental tasks that managers perform to achieve organizational goals efficiently and effectively. Henri Fayol (1916) identified five primary functions of management: planning, organizing, commanding, coordinating, and controlling.

These functions provide a foundational framework for understanding managerial roles within an organization. Jones and George (2022) further conceptualize management as a process that involves planning, organizing, leading, and controlling the efforts of organizational members while utilizing resources efficiently to achieve predetermined goals. Similarly, Wilkinson (2013) defines management as the capacity to plan, organize, monitor, and direct individuals, emphasizing the coordination of efforts towards goal achievement. Balunywa (2016) also outlines management functions as including planning, organizing, communication, leading, and controlling. Although several management functions exist, this study focuses specifically on planning, organizing, and controlling, due to their relevance to the practice of law and legal service delivery.

Planning is the process of setting organizational goals and determining the most effective strategies and steps to achieve them. It involves forecasting future conditions, allocating resources efficiently, and providing a structured framework for decision-making to ensure that organizational objectives are met (Robbins, Coulter & DeCenzo, 2023; Dess, Lombardi & Eisner, 2022). It involves setting organizational goals, formulating strategies to achieve them, and developing comprehensive plans that guide and coordinate various organizational activities (Robbins & Coulter, 2021). It is the foundation upon which other management functions are built, establishing the organization's direction through goal development and decision-making at different levels (Schraeder, Self, Jordan, & Portis, 2014). Diksha (2019) posits that planning is future-oriented, serving as a rational and systematic process for decision-making that influences the organization's future trajectory. Management Study HQ (2019) asserts that planning is essential for effective organizational performance, as it determines the most appropriate course of action.

Modern management literature emphasizes that planning is a continuous, adaptive, and goal-oriented process, integrating with other managerial functions such as organizing, leading, and

controlling to respond effectively to dynamic business environments (Fayol, 1949; Bateman & Snell, 2021).

Organizing is the management function concerned with arranging and structuring resources, including personnel, tasks, and technology, to accomplish organizational objectives (Schermerhorn, 2013). It entails identifying roles, assigning responsibilities, grouping activities, and allocating resources to ensure efficient coordination and workflow (Management Study HQ, 2019). Fayol (1916) described organizing as constructing the material and human framework of the enterprise. Satyendra (2015) similarly emphasizes organizing as establishing an orderly utilization of all organizational resources. Farooq (2011) argues that the organizing function integrates human efforts, tasks, and physical resources into meaningful relationships to achieve organizational goals. Contributor (2017) adds that organizing involves assembling the necessary resources and structuring them for optimal task execution. It includes identifying what work needs to be done, allocating resources, defining roles and responsibilities, establishing authority relationships, and creating an organizational structure that facilitates coordination and control (Robbins, Coulter & DeCenzo, 2023; Bateman & Snell, 2021). Recent studies emphasize that organizing is a dynamic process, requiring flexibility to adapt organizational structures and resource allocation to changing business environments (Daft, 2022; Gulick & Urwick, 2021).

Controlling is the function that involves monitoring, evaluating, and adjusting work processes to ensure alignment with organizational objectives. It enables managers to track progress, identify deviations from plans, and implement corrective actions (Robbins & Coulter, 2021). According to Schermerhorn (2013), controlling ensures that actual performance conforms to planned performance and facilitates adjustments where necessary. Fayol (1916) described it as verifying whether activities conform to plans, instructions, and established principles. Juneja (2015) also highlights that controlling ensures effective resource utilization for achieving

planned outcomes. Bateman and Snell (2013) contend that the purpose of controlling is to guide the organization toward its established goals through process monitoring and feedback mechanisms. Controlling is the management function that involves monitoring, evaluating, and regulating organizational activities to ensure that goals and objectives are achieved efficiently and effectively. It includes setting performance standards, measuring actual performance, comparing it against set standards, and taking corrective actions when necessary (Robbins, Coulter & DeCenzo, 2023; Bateman & Snell, 2021). Recent studies emphasize that controlling is a continuous, adaptive, and integrative process, closely linked with planning, organizing, and leading, and increasingly enhanced by technology and data analytics to support timely decision-making and organizational performance improvement (Daft, 2022; Gulick & Urwick, 2021).

2.2.2 Organizational Environment

The business environment comprises both internal and external factors that affect an organization's operations, performance, and strategic decision-making. These factors include economic, political, legal, technological, socio-cultural, and competitive dynamics, as well as internal organizational elements such as structure and resources (Cherunilam, 2010). Wheelen and Hunger (2012) describe the business environment as the sum total of all factors both within and outside the organization that influence its operations. These include customers, competitors, suppliers, government regulations, and technological shifts. According to Adebayo (2005), the internal environment consists of elements under the organization's control, such as capital, personnel, profit, procedures, policies, structure, and objectives. Conversely, the external environment comprises variables beyond the organization's control, such as technological advancements, political developments, legal frameworks, and socio-cultural trends, as well as stakeholders like customers, suppliers, labor unions, and financial institutions.

Technology, within the business context, refers to the tools, techniques, and innovations that enhance the efficiency and effectiveness of business operations. It plays a pivotal role in enabling firms to produce goods and services, innovate, and maintain competitiveness (Kotler & Keller, 2012). This includes advancements in machinery, information systems, software, and other operational processes that affect how businesses operate and deliver value to customers (Kotler & Keller, 2012; Hill & Jones, 2012). Bartlett and Ghoshal (2002) assert that technological evolution significantly transforms how products are manufactured and distributed. Balunywa (2016) defines technology as the application of scientific knowledge to practical tasks, especially in industrial settings. Daft and Sarmunen (1998) describe technological factors as methods for transforming resources into outputs, encompassing information technology, biotechnology, and global technology transfer. Hartzell (2012) emphasizes the dual nature of technology, noting it can be either beneficial or detrimental depending on how it is deployed in a competitive environment. According to Satjal (2021) and Ramey (2013), technology is vital for modern business success, enhancing productivity, innovation, communication, and competitiveness.

Recent studies highlight that technological advancements are dynamic, ongoing, and transformative, shaping how organizations operate, influencing decision-making, and affecting human behavior and cultural practices (Rogers, 2022; Singh & Sharma, 2023; Igwe, 2021).

Competition refers to the rivalry among businesses operating in the same industry or market, striving for superior market positioning, customer loyalty, and profitability (Kotler & Keller, 2012). It emerges when firms offer similar products or services and must differentiate themselves through pricing, innovation, quality, and service delivery (Hill & Jones, 2012). Porter (1980) views competition as a strategic struggle for market share, driven by operational efficiency and differentiation. Jayanthi (2023) defines a competitive environment as one characterized by multiple firms offering similar services or products, thereby intensifying

rivalry. Zack (2022) and Study Smarter (2019) argue that competition benefits both businesses and consumers by incentivizing innovation and improving product quality and pricing and underscores the necessity for firms to analyze their competitive landscape to remain viable and successful. Modern literature emphasizes that competition fosters efficiency, drives innovation, and promotes consumer benefits, while also being shaped by factors such as technology, globalization, and the rise of digital platforms (Porter, 2023; Kotler & Keller, 2022; Singh & Sharma, 2023).

2.2.3 Firm Performance

Firm performance refers to the overall effectiveness with which an organization attains its objectives, encompassing multiple dimensions such as financial outcomes, operational efficiency, customer satisfaction, innovation capacity, and employee engagement (Kaplan & Norton, 1996). It is commonly understood as the degree to which an organization meets its predefined benchmarks in alignment with its mission and goals (Neely, 2002). According to Robinson and Judge (2019), firm performance involves an organization's capacity to achieve its objectives through the efficient allocation and utilization of resources while ensuring the delivery of high-quality goods and services. Similarly, Daft (2010) conceptualizes performance as the organization's ability to effectively and efficiently utilize key resources such as knowledge, personnel, and raw materials to attain strategic objectives. Firm performance is frequently assessed using various indicators, including profitability, growth, corporate governance, and social responsibility. For the purposes of this study, firm performance is measured using two key indicators: growth and employee satisfaction

Growth as a dimension of firm performance, denotes the increase in a firm's size, revenue, market share, or other key performance indicators over a given period. Growth can be assessed using both financial indicators such as revenue and profit increases and non-financial metrics, including expansion in market share, employee satisfaction, customer base, and geographical

reach (Barney & Hesterly, 2019). Growth is a common metric for evaluating an organization's ability to scale operations, increase profitability, and improve competitive positioning (Barney & Hesterly, 2019). According to Grant (2019), growth reflects a firm's capability to broaden its operational and strategic scope. Recent studies emphasize that sustainable growth in law firms is influenced by strategic management functions, adoption of technology, effective resource allocation, competitive positioning, and the ability to adapt to dynamic regulatory and market environments (Susskind, 2023; Empson, 2022; Brogi et al., 2021). In this study, growth is specifically measured by indicators such as clients base growth, assets growth and branch expansion (Brock, 2006; Empson, 2017).

Employee satisfaction, on the other hand, represents the degree to which employees perceive their jobs and work environments positively. It serves as a crucial non-financial metric of organizational performance (Kinicki & Fugate, 2018). Robbins and Judge (2019) emphasize that employee satisfaction is an essential indicator of organizational health, closely linked to workforce retention and productivity. Moreover, satisfied employees tend to exhibit greater commitment and alignment with organizational objectives, thereby contributing to overall performance (Harter, Schmidt, & Hayes, 2002).

Recent studies emphasize that employee satisfaction in law firms is critical for improving productivity, reducing turnover, enhancing client service quality, and sustaining competitive advantage in a highly demanding and dynamic professional environment (Empson, 2022; Susskind, 2023; Hunter & Power, 2021). In this study, employee satisfaction is assessed through metrics such as staff welfare, staff retention and productivity (Empson (2017)

2.2.4 The Relationship Between Management Functions and Firm Performance

The various functions of management like planning, organizing, and controlling collectively influence firm performance in different ways.

Planning is foundational in establishing the strategic direction and objectives of an organization. Empirical studies have demonstrated that firms equipped with strong strategic planning capabilities often exhibit superior performance outcomes due to their ability to anticipate challenges and allocate resources effectively (Bryson, 2018). According to Mahendroo (2019), planning aligns a firm's actions with its strategic intentions; in its absence, organizations risk inefficiencies resulting from redundant efforts and a lack of focus. Hill (2019) emphasizes that planning serves as a blueprint for organizational growth, while Pirragalia (2019) asserts that planning and performance are inextricably linked likening them to "conjoined twins" and argues that expecting strong performance in the absence of proper planning is futile. Furthermore, Barry and Elmes (1997) contend that high performance is often associated with the amount of time invested in planning, particularly when the quality of planning is high. Conversely, when planning is of low quality, extensive time spent on it may result in poor performance. Consequently, both researchers and practitioners commonly agree that planning is one of the most critical and effective management functions influencing changes in firm performance. Studies indicate that law firms and other professional service organizations that engage in structured strategic planning tend to exhibit improved financial outcomes, operational efficiency, and client satisfaction (Mousa, Ali & Gurler, 2024). Resources, such as skilled personnel, financial capital, and technological tools, can strengthen the link between planning and performance. Amoo (2023) highlighted that firms with adequate slack resources achieve higher performance outcomes when strategic plans are implemented effectively. These findings suggest that planning is a key determinant of firm performance, particularly in law firms, where client demands, regulatory changes, and market competition require careful foresight and resource allocation.

Organizing entails, the structuring and allocation of organizational resources human, financial, and physical to implement strategic plans effectively. Clearly defined roles, responsibilities,

and lines of authority contribute to operational efficiency and minimize redundancy (Daft, 2016). Balunywa (2005) highlights that organizing has evolved into a key enabler of organizational performance, asserting that sound organizing decisions contribute to success, whereas poor decisions can lead to organizational failure. Therefore, organizing is essential in converting strategic plans into actionable outcomes through appropriate alignment of resources. Firms whose organizational structures are aligned with their strategic objectives experience enhanced efficiency and responsiveness. Huynh (2025) highlights that strategic alignment of roles and processes improves operational outcomes and client service quality. Overall, these studies suggest that organizing is a critical lever for law firm performance, influencing efficiency, innovation, employee satisfaction, and client service quality.

Controlling is the management function responsible for monitoring performance, identifying deviations from established goals, and implementing corrective actions. This function supports quality assurance, compliance, and continuous improvement processes (Griffin, 2016). Archana (2018) describes controlling as a managerial process that ensures the implementation of policies and enables corrective measures when actual performance deviates from predefined standards. Similarly, Satyendra (2015) asserts that controlling serves as a diagnostic tool, identifying discrepancies and facilitating necessary interventions to align performance with expectations. Taxman (2022) further defines controlling as a systematic process that compares actual outcomes with planned targets, enabling progress tracking and the documentation of experiential learning for future decision-making. Martins (2023) emphasizes that Management Control Services improve competitiveness and operational efficiency, particularly in professional service organizations facing dynamic and complex environments. The way Management Control Services are applied matters. Oanh (2024) notes that interactive use of controls encourages entrepreneurial orientation and innovation, leading to higher firm performance, while diagnostic uses ensure alignment with strategic objectives.

In summary, these studies show that controlling is a key determinant of law firm performance, improving operational efficiency, strategic alignment, and responsiveness to client and market demands.

The core management functions planning, organizing, and controlling play integral roles in shaping firm performance. Effective application of these functions enhances the organization's ability to achieve its strategic and operational goals efficiently and sustainably.

2.2.5 The Relationship Between Organizational Environment and Firm Performance

The term organizational business environment refers to all external and internal elements that surround a business organization and influence its decisions, strategies, operational processes, and overall performance (Erumegbe, 2015). Organizational success is significantly dependent on the ability of firms to effectively adapt to a dynamic and often unpredictable environment. The relationship between environmental factors and firm performance has been extensively examined in empirical literature, highlighting the critical role the business environment plays in shaping outcomes for firms (Essmui, Berma, Shahadan, Ramlee, & Mohd, 2014).

A conducive business environment facilitates easier market entry and exit for firms, ranging from microenterprises to multinational corporations, thereby fostering competition, innovation, and growth (Essmui et al., 2014). In contrast, a hostile or unstable environment may impede firm growth, discourage investment, and strain operational efficiency.

Technology is one of the most influential environmental factors affecting firm performance. According to Brynjolfsson and McAfee (2014), technology significantly enhances firm performance by improving operational efficiency, accuracy, and the quality of client services and decision-making processes. It allows for automation of routine tasks, reducing both time and operational costs, while also enabling more effective communication within teams and with clients. Moreover, technology supports data-driven decision-making, performance

tracking, remote work, and digital file management, thus increasing organizational flexibility and adaptability.

Barba-Sánchez (2024) emphasizes that IT capabilities and digital transformation positively impact firm performance by enhancing operational efficiency and service quality. For law firms, this includes digital case management, online client services, and document automation. Nguyen Thi Hang & Nam Nguyen Kim (2025) show that digital technology improves information management systems, which leads to better decision-making and performance outcomes. Similarly, law firms benefit from technology that improve legal research, billing systems, and workflow management. Wang (2025) notes that adopting breakthrough technologies enables firms to gain a competitive edge. For law firms, early adoption of innovative legal tech solutions can differentiate them in the marketplace and improve both performance and client satisfaction. Overall, these studies underscore the fact that technological advancement is a key driver of law firm performance, influencing efficiency, innovation, and strategic competitiveness.

Competition is another critical component of organization environment that influences firm performance. Porter (1985) argues that competition compels firms to continuously innovate, improve service quality, and manage costs effectively in order to sustain or enhance market share. Competitive pressure often stimulates firms to differentiate their products and services, specialize in niche markets, and enhance customer satisfaction. This strategic adaptation is necessary to remain viable in a rapidly evolving market.

Duncan (1972) emphasized the importance of aligning a firm's strategy and operational capabilities with the prevailing environmental conditions to optimize competitiveness and profitability. Gleeson (2019) notes that nearly every element influencing an organization's ability to respond to competitive pressure and external change constitutes part of the business environment. Thus, success or failure in the marketplace is largely contingent upon how

effectively firms engage with these external conditions. Recent studies further affirm the positive impact of competition on firm performance. Carlos Catassi (2023) highlights the fact that heightened industry competition can lead to improved productivity and innovation outcomes, thereby enhancing overall firm performance. Similarly, Tuyet and Ninh (2023) found a statistically significant positive relationship between competitive intensity and firm performance. Their findings suggest that competition incentivizes firms to innovate and allocate resources more efficiently, ultimately leading to productivity growth and sustainable competitive advantage. Liu (2022) found that increased competition motivates firms to innovate, improve operational efficiency, and enhance client service, resulting in improved firm performance. Overall, these findings suggest that competition is a key driver of law firm performance, pushing firms toward innovation, efficiency, and strategic differentiation.

The organizational environment elements of technology and competition exert substantial influence on firm performance. Organizations that successfully adapt to and leverage these factors are more likely to achieve higher productivity, innovation, and customer satisfaction, all of which are critical drivers of sustained performance.

2.2.6 The Relationship Between Management Functions, Organizational Environment, and Firm Performance

Organizational environment encompasses both internal elements and external elements like culture, structure, and human capital, regulatory frameworks, competition, and technological changes that influence a firm's operations. Management functions planning, organizing and controlling act as mechanisms for adapting to these environmental factors to achieve strategic objectives and enhance firm performance. Effective alignment of internal capabilities with external environmental demands through strategic planning and management functions ensures that law firms can seize opportunities and mitigate threats, thereby improving performance outcomes (Cui, 2025; Eccles, Ioannou & Serafeim, 2014). Law firms that adopt structured

environmental management practices, such as compliance with legal and ethical standards, client-focused service systems, and technological upgrades, tend to perform better financially and reputationally (Zhang & Zhang, 2019). Firm performance is largely contingent on the ability of management to make timely and informed decisions in anticipation of, or in response to, changes in the external environment. This decision-making process is continuous, requiring ongoing assessment and realignment of organizational strategies with evolving environmental conditions (Nyaberi, 2021). The effectiveness of organizational performance is strongly linked to how well dynamic capabilities are aligned with environmental turbulence. Performance, therefore, reflects the extent to which leadership can synchronize internal operations with external environmental realities (Nyaberi, 2021).

A comprehensive understanding of the external environment is vital for executives, as it informs the strategic choices that shape organizational trajectories. Environmental variables act as critical inputs in the formulation and implementation of strategies that drive organizational success (Firdausi & Sack, 2021). Changes in external factors, such as market conditions, customer preferences, and regulatory frameworks, directly influence firm strategies, particularly those aimed at customer engagement and satisfaction, thereby impacting overall performance (Gosnik, Kavčič, Meško, & Miloš, 2023).

Technological advancement continues to be a central environmental factor influencing firm performance. Balunywa (2016) defines technology as the application of scientific knowledge to practical ends, particularly within industrial contexts. It encompasses a broad spectrum of skills, methods, and tools characteristic of a specific group, organization, or nation. According to Daft and Sarmunen (1998), technological factors involve the systems and methods used to convert resources into products or services, and this includes domains such as information technology, internet-based systems, biotechnology, and the global transfer of innovation.

Hartzell (2012) underscores the strategic duality of technology, noting that it can either serve as a competitive advantage or a liability depending on how it is integrated into business operations. Satjal (2021) further articulates technology as both tangible and intangible knowledge applied in organizational settings to solve problems or enhance functions, asserting that it forms the backbone of modern business operations. Firms are therefore compelled to keep pace with rapidly evolving technologies to maintain competitiveness and operational relevance. Ramey (2013) adds that technology drives improvements in production efficiency, enhances competitive positioning for small businesses, streamlines communication, accelerates innovation, and simplifies data storage and information sharing.

The competitive environment also plays a pivotal role in shaping firm performance. As defined by SendPulse (2023), a competitive environment is a system in which multiple firms engage in rivalry through strategies such as pricing, promotion, and distribution. Jayanthi (2023) emphasizes that the intensity of competition increases with the number of firms offering similar products or services, making market conditions more dynamic and challenging.

Zack (2022) describes the competitive environment as a dynamic system where firms must continually innovate to outperform rivals and deliver value to customers. This competitive pressure drives businesses to improve quality, enhance innovation, and boost productivity. According to Study Smarter (2019), understanding and effectively analyzing the competitive environment is essential for strategic positioning. The external competitive environment includes factors such as the threat of new entrants, bargaining power of suppliers and buyers, availability of substitute products, and industry rivalry. Internally, firms must address aspects such as product and service quality, innovation capacity, and operational productivity to remain competitive.

2.2.7 Conclusion

The review of literature demonstrates that both organization environment and management functions exert considerable influence on firm performance. While numerous studies have addressed the individual relationships between environmental dynamics or management practices and organizational outcomes, there is limited empirical research that holistically examines how the interplay between management functions and environmental factors jointly affects firm performance. This gap highlights the need for further investigation into integrated models that account for both dimensions in assessing organizational success.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter outlines the methodology employed in conducting the study. It presents the research design, study population, sample size determination, data collection methods and instruments, measurement of variables, validity and reliability assessments, data processing and analysis procedures, and ethical considerations.

3.1 Research Design

The study adopted a cross-sectional survey design, which enabled the collection of data from a representative subset of the population at a single point in time. A quantitative approach was employed to allow for an in-depth analysis and objective measurement of management functions, environmental factors, and firm performance among law firms in the Rwenzori region, Western Uganda.

3.2 Population of the Study

The target population for this study consisted of all the registered law firms in the Rwenzori region of Western Uganda. According to the Uganda Law Society (2017), there are 59 operational law firms within this geographical area. The unit of analysis comprised the law firms themselves, whereas the unit of inquiry consisted of one partner from each firm. The Rwenzori region was selected due to the increasing number of law firms and the lack of empirical evidence on their performance and influencing factors.

Table 1: Number of Law Firms per District

District	Number of Law Firms
Kamwenge	10
Kyenjojo	3
Kyegegwa	2
Bundibugyo	3
Fort Portal	21
Kasese	15
Total	**59**

Source: Western Uganda Law Society Representative (2019)

3.3 Sample Size and Sampling

The sample size for the study was determined using the Krejcie and Morgan (1970) sampling table, which is widely accepted in social science research for its statistical accuracy. Based on the total population of 59 law firms, a sample of 51 firms was selected. Simple random sampling was used to ensure that each law firm had an equal chance of being included. This was done by writing the names of all 59 law firms on identical slips of paper, mixing them thoroughly in a container, and randomly selecting 51. One senior partner from each selected law firm was then chosen to participate, resulting in a total sample of 51 respondents. Previous studies on organizational management in Uganda have used sampling even with fairly small populations Mukiibi (2017) on SMEs, 68 firms and Tigogo (2020) on law firms, 57 firms both applied sampling. Their finding confirmed that representative sampling maintains reliability and validity even with small populations.

3.4 Data Collection Methods and Instruments

Primary data were obtained through self-administered questionnaires designed to elicit quantitative responses. The questionnaire employed a five-point Likert scale ranging from Strongly Agree (1) to Strongly Disagree (5). The likert scale is simple and easy for respondents to interpret and use, especially in field studies (Kothari, 2004; Mugenda & Mugenda, 2003). It is suitable for quantitative analysis and can be treated as interval data for statistical purposes, making it appropriate for descriptive and inferential analysis such as correlation and regression (Boone & Boone, 2012). This aligns with the quantitative design of my study. The use of structured questions ensured consistency and facilitated statistical analysis.

3.5 Measurement of Variables

The variables in the study were operationalized using validated constructs from existing literature. Management functions were measured through the dimensions of planning, organizing, and controlling, adapted from Koontz and O'Donnell (1976). Organizational environment was assessed in terms of competition and technology, based on the framework proposed by Stewart (2019). Firm performance was measured through indicators such as firm growth and employee satisfaction, adapted from Santos and Brito (2012).

3.6 Validity and Reliability

Validity, which refers to the extent to which research tools measure what they intend to measure (Noble & Smith, 2015), was ensured through expert review and pretesting of the questionnaire. Reliability, the consistency and stability of measurement (Noble & Smith, 2015), was assessed using Cronbach's Alpha coefficient. The data were cleaned, coded, and entered into the Statistical Package for the Social Sciences (SPSS) version 20. After review by field experts, the instruments were refined for accuracy, clarity, and consistency.

Table 2: Reliability Results

Theme	Number of Items	Cronbach's Alpha
Management Functions	23	0.793
Organizational Environment	13	0.678
Firm Performance	11	0.65

Source: Primary Data

The reliability coefficients indicate that the constructs for management functions met the commonly accepted threshold of 0.7 (Nunnally & Bernstein, 1994). Although environmental factors and firm performance fell slightly below this threshold, the researcher proceeded with the study since the construct validity and content validity of the instruments were ensured through expert review, pre testing and reference to established tools from previous studies.

Table 3: Content Validity Index

VARIABLE	CVI
Management functions	0.793
Organizational environment	0.678
Firm performance	0.650

Source; primary data

Overall CVI is 0.707 which means that the instrument achieved acceptable content validity since it is above the 0.70 threshold recommended by Polit & Beck (2006) and Amin (2005). This indicates that on average, the items were judged by experts to be relevant and representative of the constructs (management functions, organizational environment and firm performance).

3.7 Data Processing and Analysis

The collected data were entered into SPSS (version 20) for cleaning and coding. Data entry inconsistencies and missing values were addressed. Subsequently, the data were subjected to descriptive statistical analysis to summarize the sample characteristics, as well as inferential analyses including correlation and regression, to examine the relationships among the study variables.

3.8 Ethical Considerations

Rwenzori region is a politically fragile environment where lawyers and law firms may possess information about political events, disputes or other sensitive information. Studying growth of law firms in this environment required confidentiality and therefore there was strong adherence to this requirement by protecting the identity of respondents and sensitive data. The participants were made to clearly understand the purpose of the study and any potential risks of participating and then required to give consent before the study was conducted. There was risk assessment and mitigation strategies in place before the study was conducted to ensure the safety of both the participants and the researcher.

Approval for the study was obtained from relevant authorities and all participating law firms.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.0 Introduction

This chapter presents, analyses, and interprets the research findings in alignment with the objectives of the study. The data is presented thematically based on the research variables and objectives, incorporating both descriptive and inferential statistical analysis to provide a comprehensive understanding of the results.

4.1 Data Presentation

Response Rate

Out of a targeted sample of 51 law firms, responses were received from 48 firms, representing a response rate of 94%. This high response rate enhances the reliability and generalizability of the study findings (Mugenda & Mugenda, 2003).

4.2 Descriptive Characteristics of Respondents

The descriptive characteristics of respondents examined included their age and years of experience at the firm. In addition, characteristics of the firms such as the year of establishment and the number of employees were also analyzed. Table 3 below presents the distribution of these characteristics.

Table 4: Distribution of Selected Background Characteristics of Respondents

Variable	Frequency	Percentage (%)
Age of the Respondents		
20 to 30 years	13	27.10%
31 to 40 years	22	45.80%
41 to 50 years	11	22.90%
Over 50 years	2	4.20%
Years Spent at the Firm		
1 to 5 years	10	21.00%
6 to 10 years	14	29.00%
11 to 15 years	6	13.00%
16 to 20 years	16	33.00%
Over 20 years	2	4.00%

Table 5:Descriptive Characteristics of Law Firms

Variable	Frequency	Percentage (%)
Age of the Firm		
Over 20 years	3	6.30%
10 to 20 years	21	43.80%
4 to 9 years	24	50.00%
Number of Employees		
1 to 10	39	81.30%
Above 10	9	18.70%

Source: Primary Data (2025)

The data in Table 4 indicate that the majority of the respondents (45.8%) were aged between 31 and 40 years, suggesting that the key partners in these law firms are in their professional prime and therefore well-positioned to influence organizational performance positively (Robbins & Coulter, 2018). Additionally, most respondents (29%) had spent 6 to 10 years at their respective firms, implying a relatively moderate level of industry experience which could still benefit from structured mentorship and leadership development.

As shown in Table 5, most of the law firms surveyed (50%) were between 4 to 9 years old, indicating that they are in the early stages of organizational growth. This suggests a high potential for adopting new practices to enhance performance (Teece, 2007). Furthermore, a substantial majority (81.3%) of the firms employed between 1 and 10 employees, classifying them as small enterprises, which typically have more flexibility and adaptability to implement performance-improving changes (OECD, 2000).

4.3 Correlational Analysis

To address the research questions, correlation analysis was employed to examine the direction and strength of relationships among the core study variables: management functions, environmental factors, and firm performance. Pearson's correlation coefficients (r) were used for this analysis.

Table 6: Results of Correlations Analysis

variables	1	2	3	4	5	6	7	8
Management functions (1)	1							
Planning (2)	0.944**	1						
Organizing(3)	0.675**	0.495**	1					
Controlling(4)	0.477**	0.264	0.161	1				
Organization environments(5)	0.354*	0.315*	0.237**	0.230**	1			
Technology(6)	0.436**	0.365*	0.321*	0.324*	0.942**	1		
Competition(7)	0.073	0.11	-0.005	-0.031	0.765**	0.503**	1	
Firm performance(8)	0.334*	0.319*	0.176**	0.203	0.235**	0.221**	0.18	1

*Note: **Correlation is significant at the 0.01 level (2-tailed); * Correlation is significant at the 0.05 level (2-tailed)*

4.3.1 Relationship Between Management Functions and Firm Performance

Results from Table 5 reveal a significant positive correlation between overall management functions and firm performance ($r = 0.334$, $p < 0.01$), suggesting that effective application of management functions is associated with improved performance of law firms. Specifically, planning and organizing functions were significantly correlated with firm performance ($r = 0.319$, $p < 0.05$ and $r = 0.176$, $p < 0.05$, respectively), while controlling did not exhibit a statistically significant relationship. These findings imply that emphasis on planning and organizing could enhance operational and strategic outcomes, consistent with arguments by Daft (2016), who posits that coherent planning and organization form the backbone of effective firm management.

4.3.2 Relationship Between Organizational environment and Firm Performance

The correlation results also indicate a significant positive association between environmental factors and firm performance ($r = 0.235$, $p < 0.01$). This implies that favorable environmental conditions such as technological advancements and competitive dynamics contribute to higher firm performance. Among the environmental subcomponents, technological factors were significantly associated with firm performance ($r = 0.221$, $p < 0.01$), while competition also showed a positive relationship ($r = 0.180$), though not statistically significant at conventional levels. Nevertheless, the magnitude of the correlation suggests that competition remains an influential factor, warranting strategic focus. These results align with Porter's (2008) five forces model, which underscores the critical impact of environmental dynamics on firm competitiveness.

Additionally, a significant correlation was observed between organizational environmental factors and management functions ($r = 0.354$, $p < 0.05$), indicating that as firms improve their internal management systems, they also become more responsive to external environmental demands. This mutual influence reinforces the need for an integrated approach to strategic planning that considers both internal capabilities and external realities (Barney & Hesterly, 2019)

4.4 Regression Analysis

To assess the extent to which the independent variables (management functions and organizational environments) predict firm performance, a multiple regression analysis was conducted. The results are presented in Table 6.

Table 7: Regression Analysis Results

Variables	Standardized Coefficients	Std. Error	P-value	VIF	Tolerance
(Constant)	1.271	0.257	0.001	—	—
Management Functions	0.163	0.098	0.1	1.14	0.88
Environmental Factors	0.335	0.086	0.001	1.16	0.86
F(2, 87) = 12.79	Prob > F = 0.001	R-squared = 0.2272	Adjusted R^2 = 0.2095		

Dependent Variable: Firm Performance

The regression model results indicate that organizational environment has a statistically significant effect on firm performance ($\beta = 0.335$, $p \leq 0.001$), suggesting that a unit increase in favorable organizational environmental conditions results in a 0.335 increase in firm performance, holding other factors constant. Conversely, management functions were not statistically significant predictors of firm performance at the 5% significance level ($\beta = 0.163$, $p = 0.100$), although the positive coefficient suggests a potential effect that might emerge with a larger sample or different context.

The model explains approximately 21% of the variance in firm performance (Adjusted $R^2 = 0.2095$), indicating that organizational environment and management functions collectively

contribute to firm performance but that other unexplored variables also play a role. The relatively higher standardized coefficient and statistical significance of organizational environmental factors underscore their greater influence compared to internal management functions.

These findings suggest that while internal management is important, the organizational environment exerts a stronger influence on law firm performance, aligning with institutional and contingency theories that highlight the role of environmental alignment in organizational effectiveness (Scott, 2014; Lawrence & Lorsch, 1967).

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the discussion of findings, conclusion, recommendations, and study limitations. The discussion is structured around the research objectives, focusing on the relationships between management functions, organizational environment, and firm performance in law firms in the Rwenzori region of Western Uganda.

5.1 Discussion

5.1.1 Relationship Between Management Functions and Firm Performance

The study revealed a statistically significant positive relationship between management functions and firm performance. Specifically, the functions of planning and organizing were found to have a strong positive influence on firm performance, while the controlling function did not exhibit a statistically significant relationship.

This finding corroborates earlier scholarly work. Mahendroo (2019) posits that planning is intrinsically linked to firm performance, noting that alignment between organizational actions and intended outcomes is essential to avoid inefficiencies and performance degradation. Hill (2019) similarly emphasizes that planning provides a blueprint for business growth, aligning well with this study's operationalization of firm performance as encompassing both business growth and employee satisfaction.

Pirragalia (2019) metaphorically characterizes planning and performance as "conjoined twins," reinforcing the argument that proper planning is indispensable for attaining high levels of performance. Barry and Elmes (1997) also found that extensive time spent on planning correlates with high performance, provided the planning quality is robust. Conversely, low-quality planning yields suboptimal performance despite time investment.

Organizing was also confirmed to significantly influence firm performance. Balunywa (2005) asserts that organizing is critical for achieving organizational goals through the effective allocation of physical and human resources. The current findings reinforce this, illustrating that strategic delegation and resource structuring are vital for firm success. Farooq (2011) supports this view, arguing that organizing ensures tasks and personnel are aligned to achieve planned objectives. Juneja (2015) further notes that efficient resource utilization through organizing contributes substantially to performance outcomes.

Although the controlling function is widely acknowledged in literature as a core management component (Bateman & Snell, 2013; Taxman, 2022; Juneja, 2015), this study found it to be statistically insignificant in influencing performance among law firms in the Rwenzori region. Bateman and Snell (2013) describe controlling as the process of guiding and monitoring progress toward organizational goals, while Taxman (2022) emphasizes its role in performance evaluation. However, the insignificance observed in this study may stem from the short-term orientation of law firms in the region, which limits opportunities for systematic monitoring and assessment of organizational performance.

5.1.2 Relationship Between Organizational Environment and Firm Performance

The study also revealed a significant positive relationship between organizational environment and firm performance, with competition and technological advancements being key contributors. Among these, technology had a stronger effect on performance than competition, suggesting that technology pressure is a more potent driver of firm improvement in the legal sector.

This finding is consistent with the literature. According to Brynjolfsson and McAfee (2014), technology significantly enhances firm performance by improving operational efficiency, accuracy, and the quality of client services and decision-making processes. It allows for automation of routine tasks, reducing both time and operational costs, while also enabling more

effective communication within teams and with clients. Moreover, technology supports data-driven decision-making, performance tracking, remote work, and digital file management, thus increasing organizational flexibility and adaptability

5.1.3 Relationship Between Management Functions, Organizational environment, and Firm Performance

Findings from the study also revealed a significant positive relationship between management functions and organizational environment. This implies that as firms enhance their management practices, corresponding improvements in their interaction with the organizational environment can be expected. When analyzed together, management functions and organizational environmental factors jointly accounted for 21% of the variation in firm performance.

These findings are consistent with Nyaberi (2021), who argues that firm performance is shaped by decisions made in anticipation of or in response to environmental dynamics. According to him, sustained high performance depends on the alignment between an organization's internal capabilities and the volatility of its external environment. Firdausi and Sack (2021) further argue that an in-depth understanding of the external environment informs strategic decisions and is instrumental in organizational success. Likewise, Gosnik et al. (2023) emphasize that changes in external conditions influence a firm's strategy, especially with respect to customer engagement, thereby affecting firm performance.

5.2 Conclusion

The findings indicate that planning and organizing are foundational to the success and sustainability of law firms in the Rwenzori region. These management functions contribute to effective decision-making, enhanced service delivery, improved staff productivity, and overall strategic advancement. Although the controlling function did not show a statistically significant relationship with performance, its role in monitoring, compliance, and corrective action

remains vital. Law firms in the region should therefore not neglect this function but rather seek to integrate it more systematically into their operational processes.

In a dynamic and competitive legal landscape, law firms that incorporate robust management practices are better positioned to maintain high professional standards and deliver consistent value to clients.

5.3 Recommendations

Based on the study findings, the following recommendations are proposed for law firms in Western Uganda:

- Law firms should formulate clear strategic plans that outline objectives, targets and resource allocation to guide operations.
- Law firms should enhance organizational structures by clearly defining roles, responsibilities and reporting lines to reduce duplication of work and improve coordination.
- Law firms should embrace and leverage technology by implementing modern legal practice management systems for case tracking, client management and document automation to improve efficiency.
- Law firms should study and adopt strategies used by high performing firms to stay competitive.

5.4 Limitations of the Study

The research employed a cross-sectional design, which captured data at a single point in time. Consequently, the findings may be influenced by temporal biases that would have been more accurately identified through a longitudinal study. Additionally, the study was geographically limited to law firms in the Rwenzori region, thereby constraining the generalizability of its findings to other contexts or legal environments.

5.5 Areas for Further Research

Further studies are recommended to explore the relationship between management functions, environmental factors, and firm performance using qualitative methods. This approach would provide deeper insights into managerial perceptions and contextual nuances. Future research could also adopt a longitudinal design to assess how these relationships evolve over time. Moreover, specific investigation into the role and impact of the controlling function within law firms could offer a clearer understanding of its relevance in different operational settings.

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Appendix 1

Questionnaire

Dear respondent, I am Harriet Adubango conducting an academic research under the topic,

'Management functions, Environmental factors and Firm performance of law firms in Western

Uganda'. You are requested to participate in this study. This is an academic research and your response will be treated with the utmost confidentiality it deserves.

SECTION A: DEMOGRAPHIC CHARACTERISTICS

1. Position you hold……
2. Age bracket 20 to 30 years……31 to 40 years……41 to 50 years……..over 50 years……
3. Duration in the firm 1 to 5 years……. 6 to 10 years…… 11 to 15 years……16 to 20 years……. Over 20 years ……
4. When did the firm begin…….
5. Number of people employed by the firm 1to 10……..11 to 20…….21 to 30……41 to 50……

SECTION B

This section has statements about management functions, environmental factors and firm performance. KEY: 1. Strongly agree (SD), 2. Agree (D), 3. Not Sure (NS), 4. Dis agree (A), 5. Strongly disagree

(SA). Please tick the appropriate answer.

	MANAGEMENT FUNCTIONS					
	Planning					
	Planning is done in the firm					
	The plans are easy to understand					
	While planning we scan for available opportunities					

	planning we identify alternatives					
	planning we evaluate the alternatives					
	Plans are regularly made					
	Action plans are made by the various departments					
	Resources are allocated according to the plans					
	Plans are specific					
	Plans are time bound					
	Plans are realistic					
	Plans are time bound					
	Organizing					
	Firm activities are clearly identified					
	Activities are organized according to departments					
	Responsibilities are well spelt out and assigned to staff					

	Chain of command and reporting is clearly spelt out in the organization					
	The relationship between the various job positions is clearly spelt out					
	The rules and regulations governing work in the firm are clearly spelt out					
	Controlling					
	Performance standards are set in the firm					

	Performance measurements are carried out in the firm					
	Performance is compared against the set standard in the firm					

	Adjustments are made to the performance standards from time to time					
	Correctional actions are taken when performance does not match set standards					
	ENVIRONMENTAL FACTORS					
	Technological factors					
	The firm has a website					
	The firm uses computers to perform duties					
	The firm has an official telephone number with a handset					
	The firm has an official e mail address					
	Each employee has an official email address					

	The firm has constant internet connectivity					
	There are digitalized mechanisms in place for reaching out to clients					
	Technology makes us work better					
	Competition					
	We provide services similar to what other law firms provide					
	Some of the services we offer are also offered by non-legal actors					
	Competition in this trade is very stiff					
	We differentiate our services to stay on top of the competition					
	Competition makes is work harder					
	FIRM PERFORMANCE					
	Growth					
	We have increased our asset base in the past one year					
	We have opened other branches in the past one year					
	We received more clients in the past one year					
	We filed more cases in court in the past one year					
	Employee satisfaction					
	Staff welfare is prioritized					
	Staff report on time for duty					
	Staff work under minimum supervision					
	Staff voluntarily work extra hours and perform extra duties					
	We retained all our staff in the past one year					