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MAKERERE UNIVERSITY BUSINESS SCHOOL

**FINANCIAL RESILIENCE, DIGITAL LITERACY AND BUSINESS GROWTH OF WOMEN-
OWNED ENTERPRISES IN WAKISO DISTRICT**

BY

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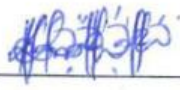
**A DISSERTATION SUBMITTED TO MAKERERE UNIVERSITY BUSINESS SCHOOL
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ADMINISTRATION OF MAKERERE UNIVERSITY**

PLAN A

JULY 2025

DECLARATION

I, **Katasi Leah**, hereby affirm that this dissertation is entirely my own original work and has not been previously submitted to any university or institution to attain any academic qualification.

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APPROVAL

This dissertation has been submitted with the endorsement of our approval as academic supervisors.

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DEDICATION

This dissertation is devoted to my parents, whose steadfast support and encouragement have been instrumental in guiding and elevating me throughout the entirety of my academic endeavors.

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ACRONYMS/ABBREVIATIONS

AFIC	–	Africa Freedom of Information Centre
CVI	–	Content Validity Index
FSD	–	Financial Sector Deepening
GDP	–	Gross Domestic Product
GEM	–	Global Entrepreneurship Monitor
GUI	–	Graphical User Interface
KPIs	–	Key Performance Indicators
MIWE	–	Mastercard Index of Women Entrepreneurs
RBV	–	Resource-Based View/Theory
SME	–	Small and Medium Enterprises
SPSS	–	Statistical Package for Social Scientists
UWEP	–	Uganda Women Entrepreneurship Programme
WOEs	–	Women-Owned Enterprises

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ABSTRACT

This study aimed to investigate the relationship between financial resilience, digital literacy, and business growth in women-owned enterprises (WOEs) in Wakiso District. The specific objectives included: assessing the relationship between financial resilience and business growth, examining the relationship between financial resilience and digital literacy, determining the relationship between digital literacy and business growth, and exploring the mediating role of digital literacy in the relationship between financial resilience and business growth. The study employed a cross-sectional survey design, sampling 123 participants from a population of 178 WOE's through simple random sampling. Data was gathered via a structured questionnaire. The findings revealed that financial resilience and digital literacy both had positive and significant impacts on business growth in WOE's. Regression analysis further confirmed that financial resilience and digital literacy were key predictors of business growth. Based on the findings, the study recommends further research to include additional variables not covered in the model and advises stakeholders in the SME sector to develop strategies aligned with the relationships observed in this study to bolster the growth of WOE's in Uganda.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Business growth encompasses the expansion of operations, market reach, or revenue, often manifested through increases in sales, profits, workforce size, or market share. Such growth is essential for enhancing the sustainability and competitiveness of enterprises, ensuring their long-term success and economic impact (Zellweger, Nason, & Nordqvist, 2020). Globally, women-owned enterprises are experiencing notable growth, with increasing participation in various sectors (The Bankers Journal, 2021). The rise in the number of women-owned enterprises is largely attributed to improved access to educational services and initiatives designed to support women entrepreneurs (Zellweger, Nason, & Nordqvist, 2020). These businesses are recognized for their significant economic contributions through job creation and GDP growth in many countries (Brush, Gatewood, & Henry, 2021). In Africa, including Uganda, women-owned enterprises operate across a diverse range of sectors. Several African governments have acknowledged the potential of these enterprises, implementing policies and programs aimed at supporting their growth. According to Bekaert and Hodrick (2017), business growth is pivotal for the long-term survival of a firm, serving as a fundamental goal for organizations.

Such growth enables women-owned enterprises to evolve into larger businesses, allowing them to achieve their full potential. Fauzi, Antoni, and Suwarni (2020) note that multiple factors influence business growth, including financial resilience and access to digital literacy. Financial resilience refers to the ability of businesses to absorb, adapt to, and recover from financial setbacks or adverse events without suffering severe financial hardship (Nkundabanyanga et al., 2019). Resilient firms possess attributes such as financial robustness, anticipatory capacity, awareness, flexibility, and recovery abilities, all of which are crucial for their survival. Developing financial resilience allows businesses to navigate competitive landscapes, seize opportunities, and withstand challenges over time (Atiase et al., 2022). Consequently, businesses must cultivate resilience alongside a strong commitment to success, fostering sustainable growth, enhanced risk management, and overall business health (Zahedi, Salehi, & Moradi, 2021). Conversely, digital literacy has emerged as a critical skill set for individuals and businesses in the technology-driven environment of today.

Diptyana, Rokhmania, and Herlina (2022) assert that digital literacy is vital for the success of women-owned businesses, as it facilitates access to new markets, improves operational efficiency, and supports informed decision-making. Empowering women entrepreneurs with digital skills is essential not only for economic empowerment but also for fostering innovation, resilience, and competitiveness (Dura, 2022). Diptyana et al. (2022) further argue that digital literacy catalyzes business growth, making its development and nurturing crucial for businesses seeking to thrive. Financial resilience and digital literacy are pivotal for mitigating business failures and fostering growth. Resilient firms exhibit financial robustness, adaptability, and recovery capacity (Atiase et al., 2022), enabling them to navigate economic shocks. Meanwhile, digital literacy empowers women entrepreneurs to leverage e-commerce, digital marketing, and fintech solutions, bridging resource gaps (Dura, 2022). The mediating role of digital literacy is particularly compelling because it may enhance financial resilience by improving access to online financial services, cost-saving technologies, and broader customer networks (Diptyana et al., 2022). Aligned with Barney's (1991) RBV theory, this study contends that financial resilience and digital literacy constitute strategic resources that are valuable, rare, and difficult to replicate. By cultivating these competencies, women-owned enterprises can achieve sustained competitive advantage, particularly in resource-constrained settings.

Uganda's small and medium-sized enterprises (SME) sector is regarded as a key component of the national economy. The 2016 Global Entrepreneurship Monitor indicates that Ugandan women are among the most entrepreneurial globally, with 90.5% borrowing and saving money to start businesses. The 2020 Mastercard Index of Women Entrepreneurs highlighted that Uganda leads with 39.6% of businesses owned by women. According to Sekanjako (2022), out of every ten women-owned enterprises, seven are situated in either Kampala or Wakiso districts. The high rates of entrepreneurship, coupled with a significant proportion of women-owned businesses, suggest a dynamic and resilient landscape for women entrepreneurs in Uganda. Despite this growth, the failure rate of women-owned enterprises in Wakiso district remains concerning, with reports indicating that 90% of these businesses fail within the first five years of operation (UWEP, 2021). The district has been noted for its low performance regarding the growth of women-owned enterprises. Many of these businesses lack financial resilience, facing severe challenges that undermine their growth and lead to failure. Only 5% to 10% of women-owned businesses endure beyond five years (The Bankers Journal, 2021).

The FSD Uganda Report (2021) indicates that women-owned businesses reported earnings at only 57% of their male counterparts, with fewer employees and a lack of essential entrepreneurial resources necessary for survival. Additionally, the UWEP (2020) noted that many women-owned businesses lack internet connectivity and the skills to upgrade digital technologies. Available digital literacy initiatives do not adequately address the specific needs of women or reflect best practices (Africa Freedom of Information Centre (AFIC), 2022). This study is guided by the Resource-Based View (RBV) theory, which posits that firms can achieve and maintain a competitive advantage by possessing valuable, rare, inimitable, and non-substitutable resources (Barney, 1991). Thus, this study aims to examine the effects of financial resilience and digital literacy on the business growth of women-owned enterprises in Wakiso district.

1.2 Statement of the Problem

Financial resilience and digital literacy are critical determinants of the growth of women-led businesses. Research by Smith and Johnson (2021) indicates that women entrepreneurs with higher levels of financial resilience and proficient digital literacy skills are more likely to experience sustainable business growth. In Uganda, the Uganda Bureau of Statistics (2021) reported that the growth of women-owned businesses has outpaced that of male-owned businesses by 1.5 times (236% compared to 153%). However, despite these trends, the growth of women-owned enterprises (WOEs) continues to stagnate and decline for some (FSD Report, 2021). Empirical evidence shows that only 38% of WOE survive beyond 42 months, in contrast to 55% of male-owned businesses (GEM, 2016). Furthermore, WOE generate 30% lower average profits than their male counterparts (AFIC, 2022) and experience alarming failure rates, with 90% ceasing operations within five years (UWEP, 2021). This disparity between establishment rates and long-term viability highlights critical structural barriers impeding the growth trajectory of WOE in the region. The Uganda Women Entrepreneurship Program report of 2019 highlighted that women entrepreneurs have limited access to digital tools and technologies, along with a lack of digital literacy skills that restrict their ability to leverage online platforms for marketing, sales, and overall business operations. Furthermore, AFIC (2022) indicated that 90% of WOE in Wakiso district fail within the first five years of operation. Despite these challenges, empirical research on how financial resilience and digital literacy jointly influence WOE's growth remains scarce, particularly in Uganda's context. Prior studies focus on either factor in isolation, neglecting their potential synergistic effects.

1.3 Purpose of the Study

The purpose of this study is to investigate the relationship between financial resilience, digital literacy, and business growth among women-owned enterprises in Wakiso district.

1.4 Objectives of the Study

- i) To analyze the relationship between financial resilience and the business growth of women-owned enterprises in Wakiso district.
- ii) To assess the relationship between financial resilience and digital literacy among women-owned enterprises in Wakiso district.
- iii) To evaluate the relationship between digital literacy and the business growth of women-owned enterprises in Wakiso district.
- iv) To examine the mediating effect of digital literacy on the relationship between financial resilience and business growth among women-owned enterprises in Wakiso district.

1.5 Research Questions

- i) What is the relationship between financial resilience and the business growth of women-owned enterprises in Wakiso district?
- ii) What is the relationship between financial resilience and digital literacy among women-owned enterprises in Wakiso district?
- iii) What is the relationship between digital literacy and the business growth of women-owned enterprises in Wakiso district?
- iv) What is the mediating effect of digital literacy on the relationship between financial resilience and business growth among women-owned enterprises in Wakiso district?

1.6 Scope of the Study

1.6.1 Content Scope

The study focuses on the relationships between financial resilience, digital literacy, and business growth among women-owned enterprises in Wakiso district. Financial resilience and digital literacy serve as independent variables, while business growth is the dependent variable.

1.6.2 Geographical Scope

This cross-sectional study concentrates exclusively on female-owned small and medium enterprises in Wakiso district, Uganda. The research will include licensed women-owned

enterprises registered with the Wakiso District Trade License Department (2020/2022) that have been operational for a minimum of two years to effectively assess their growth over time.

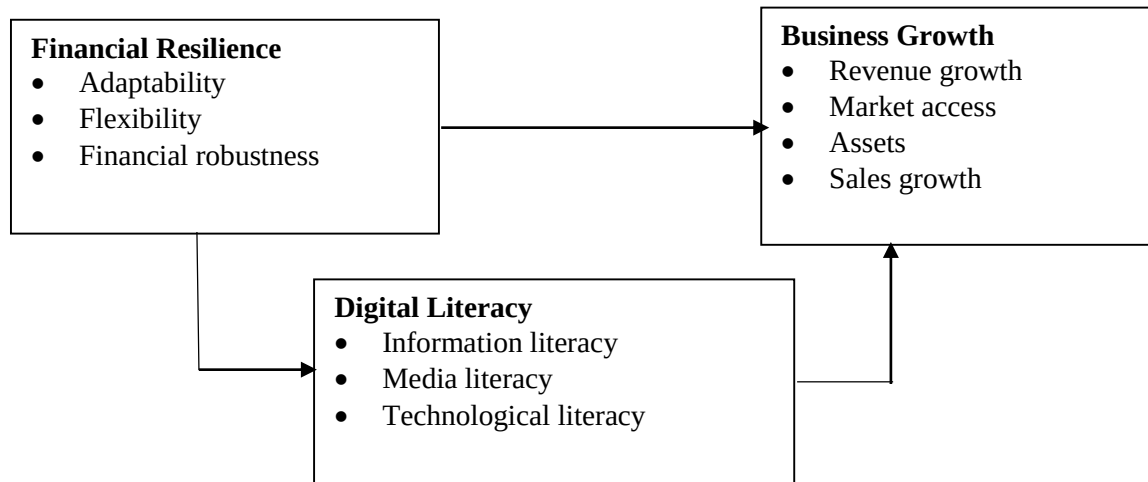
1.7 Significance of the Study

- i) The findings of this study may assist key stakeholders in Uganda's private sector in understanding the impact of financial resilience and digital literacy on the growth of women-owned enterprises, thereby facilitating the development of strategies to bolster growth in this sector.
- ii) Existing literature suggests significant relationships between the study variables and business growth. This study aims to contribute to the current body of knowledge regarding financial resilience, digital literacy, and their impact on the growth of women-owned enterprises.
- iii) Policymakers, including the Kampala Capital City Authority, Uganda Investment Authority, Uganda Women Entrepreneurs Association Limited, Enterprise Uganda, and the Ministry of Trade and Industry, can utilize the study's findings and recommendations to refine existing policies and regulations in the business sector, fostering improved financial resilience and digital literacy strategies critical for enhancing the growth of women-owned enterprises.
- iv) Existing women entrepreneurs can apply the study's insights to strengthen their financial management practices (e.g., cash flow optimization, risk mitigation) and adopt digital tools (e.g., e-commerce, digital marketing) to enhance competitiveness and scalability.

1.8 Conceptual Framework

The conceptual framework illustrates the relationships among the study variables, specifically examining the determinants of business growth among women-owned enterprises. As depicted in the figure below, the framework illustrates the influence of financial resilience and digital literacy on business growth.

Fig 1.1: Conceptual Framework



Source: Nkundabanyanga et al., 2019; Audretsch & Lehmann, 2005; Geroski et al., 2007; Ng, 2015; Salignac, Marjolin, Reeve & Muir, 2019; Hernandez & Roberts, 2018; Farouk & Saleh, 2011

The conceptual framework of this study delineates the interrelationships among financial resilience, digital literacy, and business growth. In this framework, business growth is treated as the dependent variable, while financial resilience and digital literacy serve as independent variables. Financial resilience is assessed through dimensions such as adaptability, flexibility, and financial robustness, reflecting a firm’s capacity to withstand and recover from financial challenges. Conversely, digital literacy encompasses information literacy, media literacy, and technological literacy, emphasizing the skills necessary for effective engagement in a digital economy. Business growth, as the focal variable, is quantified through indicators such as revenue growth, market access, asset accumulation, and sales expansion. The framework posits that variations in business growth are significantly influenced by the levels of financial resilience and digital literacy possessed by women-owned enterprises.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter conducts a thorough review of the literature concerning the relationship between financial resilience, digital literacy, and business growth, particularly in the context of women-owned enterprises (WOEs). The study's objectives focus on four key relationships: the link between financial resilience and business growth, the association between digital literacy and business growth, and the mediating role of digital literacy in the relationship between financial resilience and business growth.

2.2 Theoretical Review

The significance of financial resilience is underpinned by various theoretical frameworks, notably the Resource-Based View (RBV). This study employs the RBV, which emerged in the 1980s and 1990s through foundational works by scholars such as Wernerfelt, Prahalad, Hamel, and Barney. The RBV posits that firms can attain and sustain competitive advantages by leveraging valuable, rare, inimitable, and non-substitutable resources (Barney, 1991). These characteristics delineate strategic assets that, when effectively mobilized, enhance a firm's competitive edge and overall performance (Barney, 2007). Intangible resources, in particular, have been increasingly recognized as pivotal for developing competitive advantages. Research by Ferreira and Ferreira (2024), Wang et al. (2022), and Armstrong and Shimizu (2022) emphasizes the growing importance of these intangible resources, highlighting that firms operate within networks that generate valuable relational assets, known as social relational capital. Such capital can be instrumental in creating sustainable competitive advantages. By adopting RBV principles, organizations can systematically evaluate and bolster their financial capabilities, thus enhancing their resilience and competitiveness in volatile financial landscapes.

2.3 Financial Resilience

Financial resilience refers to the ability of individuals, households, businesses, and economies to withstand, adapt to, and recover from financial shocks (Briguglio et al., 2009). This concept has gained prominence due to increasing economic volatility, climate change, and global crises such as the COVID-19 pandemic. Globally, financial resilience is linked to risk management, savings, access to credit, and social safety nets. The World Bank (2022) emphasizes that

financially resilient households diversify income sources, maintain emergency savings, and utilize insurance mechanisms. Developed economies often rely on robust social protection systems (e.g., unemployment benefits), while low-income countries depend on informal networks (Demirgüç-Kunt et al., 2022).

Financial inclusion is a critical enabler of resilience. Beck & Maimbo (2013) argue that access to formal banking reduces vulnerability by facilitating savings and credit. However, disparities persist; only 76% of adults globally have access to formal financial services, with significant gaps in developing regions (World Bank, 2021). While global frameworks emphasize formal financial systems, informal mechanisms (e.g., rotating savings groups) remain vital in many regions. A hybrid approach, integrating formal and informal systems, may enhance resilience, particularly in low-income settings. Africa's financial resilience is shaped by high informality, limited social protection, and exposure to shocks (e.g., droughts, conflicts). Only 17% of Africans have access to formal credit, pushing many toward informal lenders (AfDB, 2023). Mobile money (e.g., M-Pesa) has improved financial access but does not fully address systemic vulnerabilities (Suri & Jack, 2016). Social capital plays a crucial role. Chantarat et al. (2017) found that community-based risk-sharing mechanisms (e.g., burial societies) enhance resilience in the absence of formal insurance. However, these systems are often insufficient for large-scale shocks. Africa's resilience strategies are adaptive but fragmented. Policymakers should strengthen linkages between mobile financial services and social protection programs to create scalable safety nets.

SSA faces acute challenges due to low savings rates, weak institutions, and climate vulnerabilities. Only 34% of SSA adults save formally, compared to 54% globally (Findex, 2021). Microfinance institutions (MFIs) have expanded access but often charge high interest rates, exacerbating debt risks (Banerjee et al., 2015). Agricultural dependence further complicates resilience. Smallholder farmers, who constitute 60% of SSA's workforce, are highly susceptible to price volatility and climate shocks (FAO, 2022). Index-based insurance has shown promise but remains underutilized due to affordability issues (Karlan et al., 2014). SSA needs context-specific solutions, such as weather-indexed insurance bundled with credit, to enhance agrarian resilience. Strengthening cooperative savings groups could also mitigate reliance on predatory lenders.

East Africa exhibits mixed resilience levels. Kenya leads in mobile money penetration (83% usage), fostering financial inclusion (CBK, 2023). Conversely, Burundi and South Sudan struggle with low banking rates (<15%) due to instability (IMF, 2023). Regional integration (e.g., East African Community) has improved cross-border financial flows but exposes economies to contagion risks (Were, 2022). Women's financial resilience remains low due to gender disparities in asset ownership (Duvendack et al., 2020). East Africa's mobile money success should be leveraged to expand women's access to credit and insurance. Regional policies must balance integration with safeguards against systemic risks. Uganda's financial resilience is constrained by low formal savings (24% of adults) and high reliance on agriculture (UBOS, 2023). The government's Parish Development Model (PDM) aims to enhance grassroots financial inclusion but faces implementation hurdles (MoFPED, 2023). Informal savings groups (e.g., adashi) remain prevalent, particularly among women (Nannyonjo & Nabyonga, 2022). However, these groups lack scalability during large shocks like COVID-19, which pushed 28% of Ugandans into poverty (World Bank, 2022). Uganda's resilience strategies should integrate digital finance with traditional savings groups while addressing structural barriers (e.g., land tenure for women). The PDM's success hinges on reducing bureaucratic bottlenecks.

2.4 Digital Literacy

Digital literacy, defined as the ability to access, evaluate, and utilize digital technologies effectively, has emerged as a critical determinant of socioeconomic participation in the 21st century (Eshet-Alkalai, 2012). As digital transformation accelerates globally, significant disparities in digital literacy persist, particularly in developing regions. Globally, digital literacy is widely recognized as a foundational skill for education, employment, and civic engagement (UNESCO, 2023). The OECD (2021) conceptualizes digital literacy as encompassing three core dimensions: technical skills (e.g., operating devices and software), cognitive skills (e.g., critically evaluating online information), and social-emotional skills (e.g., understanding digital ethics and cybersecurity). Developed nations have made significant strides in integrating digital literacy into formal education systems, as exemplified by the EU's DigComp framework. In contrast, low-income countries continue to lag due to infrastructural deficits and curricular gaps (van Dijk, 2020). The COVID-19 pandemic further exacerbated these inequalities, with an estimated 2.9 billion people remaining offline as of 2023 (ITU, 2023). From a researcher's perspective, while global frameworks advocate for comprehensive digital competencies, their

implementation remains uneven. A standardized yet adaptable approach is necessary to accommodate diverse socioeconomic contexts and ensure equitable digital skill development.

Africa presents a paradoxical scenario in digital literacy, characterized by rapid mobile internet penetration, over 50% of the population uses mobile internet, yet persistently low functional digital skills (GSMA, 2023). Only 28% of Africans possess basic digital literacy, with pronounced disparities along gender and rural-urban divides (A4AI, 2022). Initiatives such as Africa Code Week have sought to promote coding skills, but systemic barriers, including electricity shortages, affordability issues, and linguistic diversity, hinder their scalability (AU, 2022). Moreover, digital literacy is often narrowly equated with internet access, overlooking critical competencies such as data privacy and cybersecurity (Gelb et al., 2022). The researcher argues that Africa's digital literacy policies must transcend mere connectivity metrics and prioritize skill-building, particularly for marginalized populations. Public-private partnerships could play a pivotal role in bridging infrastructure gaps and fostering inclusive digital education. Sub-Saharan Africa reports the world's lowest digital literacy rates, with only 22% of adults capable of performing basic digital tasks (World Bank, 2023).

Key barriers include the high cost of mobile data, which averages 5% of monthly income, insufficient integration of ICT training in school curricula (UNESCO, 2022), and a pronounced gender gap, with women 37% less likely to use mobile internet than men (GSMA, 2023). While countries such as South Africa and Kenya have pioneered digital skills initiatives, fragile states like the Democratic Republic of Congo face significant adoption challenges due to instability (Jensen, 2021). In response, mobile-based learning platforms, including WhatsApp education groups, have emerged as adaptive solutions (Walubiri et al., 2022). The researcher contends that SSA requires localized, low-cost interventions, such as offline digital training modules and community-based mentorship programs, to accelerate digital literacy and mitigate existing disparities.

East Africa exhibits divergent trends in digital literacy, with Kenya leading the region at 70% mobile internet penetration and robust digital skills programs like Ajira Digital. In contrast, Tanzania and Uganda demonstrate moderate progress but continue to grapple with rural exclusion (RIA, 2023), while Burundi and South Sudan lag significantly due to political instability and limited electrification (ITU, 2023). The East African Community (EAC) has championed harmonized ICT policies, yet implementation remains inconsistent across member

states (EAC, 2022). Women and youth face additional barriers, as cultural norms often restrict their access to digital devices and training (Ndemo & Weiss, 2023). The researcher advocates for regional collaboration to prioritize gender-inclusive digital training and shared infrastructure to reduce disparities and foster equitable digital participation.

Uganda's digital literacy rate stands at a mere 19%, with pronounced urban-rural and gender disparities (UBOS, 2023). Key challenges include limited infrastructure, with only 26% of rural areas having 3G coverage (UCC, 2023), weak enforcement of the National ICT Policy (2014), and a persistent skills mismatch among youth despite the presence of tech hubs like Innovation Village (Ndemo, 2022). Initiatives such as the BTVET Digital Skills Program target vocational trainees but suffer from scalability issues due to funding constraints (MoES, 2023). Informal learning mechanisms, such as video hall tutorials, have emerged as stopgap solutions but lack formal certification (Lwanga-Lumu, 2022). The researcher emphasizes the need for Uganda to prioritize rural digital inclusion through community ICT centers and integrate digital literacy into primary education curricula. Strengthening public-private partnerships could further enhance the sustainability and reach of digital literacy initiatives.

2.5 Business Growth

Business growth remains a fundamental concern in economic development discourse, exhibiting distinct characteristics across different economic contexts. Contemporary scholarship conceptualizes business growth as a multidimensional phenomenon encompassing financial, strategic, and organizational dimensions (McKelvie & Wiklund, 2010). In the global context, digital transformation has emerged as a primary growth driver, with firms increasingly leveraging advanced technologies such as artificial intelligence and blockchain to gain competitive advantages (WEF, 2023). However, implementation challenges persist, as evidenced by Deloitte's (2022) global survey indicating that only 23% of firms successfully scale their digital initiatives. Institutional factors play a crucial role in shaping growth trajectories, with Peng et al. (2023) demonstrating how regulatory quality and market institutions influence firm expansion patterns across 127 countries. The researcher observes that while global frameworks predominantly emphasize innovation-led growth models, contextual institutional factors frequently mediate these relationships, suggesting the need for more sophisticated and adaptable growth paradigms that account for local conditions.

The African business growth narrative presents a compelling paradox of significant potential constrained by structural limitations. The continent boasts some of the world's fastest-growing firms (AfDB, 2023), supported by powerful demographic advantages including a youthful population (60% under 25 years), rapid urbanization (3.5% annual rate), and remarkable digital leapfrogging evidenced by 48% mobile money adoption rates. However, World Bank (2023) data reveals persistent constraints facing African SMEs, including severe financial access limitations (only 20% secure formal credit), infrastructure deficits costing 2.6% of annual sales, and significant skills gaps reported by 72% of firms. The researcher contends that Africa's growth potential remains substantially constrained by institutional voids, proposing that hybrid models integrating formal and informal systems may offer more viable pathways to sustainable business expansion in this context.

The business growth landscape in Sub-Saharan Africa demonstrates distinctive characteristics that set it apart from other regions. IMF (2023) reports indicate that SSA firms grow 28% slower than their global counterparts, a performance gap attributable to multiple factors including high transaction costs (averaging 15-20% of revenue), limited market integration, and political instability in key markets. Notable exceptions to this trend include Ethiopia's impressive manufacturing growth (9.2% compound annual growth rate) and Rwanda's expanding services sector (World Bank, 2023). The researcher identifies a fundamental paradox in SSA's business growth trajectory - the stark contrast between high potential and actual performance - which stems largely from policy misalignment. To address this, the researcher advocates for cluster-based development strategies as a means to overcome scale limitations and foster more robust growth patterns in the region.

East Africa presents a particularly dynamic business growth environment, significantly enhanced by regional integration through the East African Community (EAC), which has created a unified market of approximately 300 million consumers (EAC, 2023). The region exhibits several positive growth trends, including Kenya's technology sector attracting 48% of regional venture capital funding, Tanzania's consistent manufacturing growth (7.1% annually), and Rwanda's business-friendly reforms that have earned it second place in Africa for ease of doing business. However, UNCTAD (2023) identifies persistent challenges including cross-border trade barriers costing an estimated \$1.2 billion annually, significant skills mismatches reported by 62% of firms, and constrained access to growth capital. The researcher concludes that while East Africa possesses strong growth fundamentals, realizing this potential will

require enhanced policy coordination and substantial investments in productive capacities across the region.

Uganda's business growth narrative reflects both considerable potential and notable constraints. According to UBOS (2023) data, the SME sector contributes significantly to employment (75% of total employment), while demonstrating healthy annual firm formation growth (11.3%) and increasing digital business adoption (38% of firms). However, critical constraints persist, including severe financing gaps (only 15% of SMEs access formal credit), energy costs 30% higher than regional averages, and regulatory complexity that ranks Uganda 122nd in global Doing Business rankings. The researcher emphasizes that Uganda's growth trajectory requires targeted interventions focusing on three key areas: financial inclusion, energy infrastructure development, and regulatory streamlining. Particular attention should be paid to agricultural value chains given their central role in Uganda's economy and their potential to drive inclusive growth.

2.6 Actual Review

2.6.1 Financial Resilience and Business Growth

Financial resilience is a critical determinant of business growth for WOE. Effective management of financial resources enables women entrepreneurs to navigate financial challenges and position their businesses for sustainable growth (Lyons et al., 2020). Access to capital is paramount, as financially resilient WOE are more likely to secure funding for essential investments in marketing, expansion, and product development (Rashid, Yusoff, & Kamarudin, 2022). Matlay (2023) argues that these entrepreneurs are better equipped to manage risks, including cash flow management and maintaining robust financial ratios, which are vital for growth. Furthermore, Klapper and Lusardi (2020) highlight that resilient WOE demonstrate adaptability in economic uncertainties, swiftly adjusting strategies and exploring new revenue streams.

Moreover, Okello et al. (2017) suggest that such businesses are inclined to invest in research, development, and innovation, leading to the introduction of new products or services that enhance competitiveness. A solid financial foundation empowers WOE to pursue expansion opportunities, whether by entering new markets or scaling production, while attracting top talent through competitive compensation (Lyons et al., 2020; Okello et al., 2017). Resilient businesses also capitalize on effective marketing to boost brand visibility and customer

attraction, ultimately driving revenue growth (Rashid et al., 2022). Financial resilience further facilitates diversification of revenue sources, mitigating risks associated with economic downturns and fostering sustainable growth (Matlay, 2023; Okello et al., 2017). Klapper and Lusardi (2020) also assert that financial resilience enables strategic networking, fostering partnerships that can lead to collaborative growth opportunities. Trust, built through financial resilience, enhances relationships with stakeholders, attracting business opportunities (Mugumya, 2017). Thus, the relationship between financial resilience and the growth prospects of WOE is evident; it equips them with the stability and capacity necessary for innovation and expansion in a dynamic business landscape.

2.6.2 Financial Resilience and Digital Literacy

The symbiotic relationship between financial resilience and digital literacy has emerged as a critical area of study in contemporary entrepreneurial research, particularly concerning Women-Owned Enterprises (WOEs). Financial resilience, defined as the capacity to anticipate, withstand, and recover from financial shocks (Briguglio et al., 2020), creates necessary conditions for digital literacy acquisition. Recent Global Entrepreneurship Monitor data (2023) reveals that financially resilient WOE are 2.3 times more likely to invest in digital skills training compared to their less resilient counterparts. This relationship operates through three key mechanisms, including resource allocation where financially stable enterprises can dedicate resources to digital upskilling (Lyons et al., 2022), risk appetite as resilience increases tolerance for digital experimentation (Kass-Hanna et al., 2023), and strategic planning capacity with resilient firms adopting longer-term digital transformation roadmaps (Matlay, 2023). The researcher argues that these findings necessitate a paradigm shift in development interventions, suggesting that financial health foundations must precede digital literacy programs for optimal impact.

Empirical evidence demonstrates that financially resilient WOE exhibit superior utilization of digital financial tools. A longitudinal study across Sub-Saharan Africa (AfDB, 2023) found that 68% of resilient WOE used advanced accounting software versus only 22% of non-resilient peers, while resilient firms were 4.1 times more likely to implement automated financial processes (Rashid et al., 2023) and showed 39% greater adoption of data analytics for financial decision-making (McKinsey, 2023). These findings align with Resource-Based View theory (Barney, 2018), positioning financial resilience as an organizational resource that facilitates digital capability development. The researcher notes a critical gap in current literature, which

largely overlooks how financial resilience specifically enables WOEes to overcome the "digital learning cost barrier" - the initial productivity dip during skill acquisition - through superior cash flow management and risk mitigation capacities. Contextual factors significantly mediate the resilience-literacy relationship, particularly in developing economies. GSMA (2023) data shows mobile money penetration amplifies the effect, with 72% greater digital tool adoption where mobile money exceeds 40% penetration.

However, persistent gender-specific constraints remain, with WOEes facing 23% higher digital adoption costs than male-owned firms (World Bank, 2023). Interestingly, informal financial networks serve as important resilience buffers that indirectly support digital literacy (Fauzi & Antoni, 2023). The researcher contends that current frameworks underemphasize the role of meso-level institutions (trade associations, women's business networks) in amplifying the resilience-digital literacy nexus through targeted support mechanisms, suggesting this as a fruitful area for future research. When financially resilient WOEes achieve digital proficiency, they realize compounded benefits across multiple dimensions. UNCTAD (2023) reports a 58% increase in cross-border e-commerce participation, while OECD (2023) data shows 3.2 times greater access to alternative financing (crowdfunding, P2P lending). Operational efficiencies are particularly notable, with 41% reduction in administrative costs through automation (Reddy et al., 2023). These outcomes create a positive feedback loop that further enhances financial resilience, a phenomenon Terjesen et al. (2023) term "digital resilience compounding." The researcher emphasizes that this virtuous cycle highlights the importance of integrated interventions that address both financial health and digital capabilities simultaneously.

Critical examination of current literature reveals three key insights that inform both research and policy. First, the temporal dimension of the resilience-literacy relationship follows a J-curve (Kass-Hanna, 2023), with initial digital investments temporarily reducing resilience before yielding substantial gains. Second, successful WOEes practice "skill stacking" (Lyons & Kass-Hanna, 2023), combining digital literacy with financial literacy for maximum impact. Third, a significant policy mismatch exists, with 82% of digital inclusion programs targeting literacy before resilience (ILO, 2023), potentially undermining their effectiveness. In light of these findings, the researcher strongly advocates for "resilience-first" intervention models that strengthen financial foundations before intensive digital upskilling, particularly for women entrepreneurs in developing contexts. This review establishes financial resilience as a critical enabler of digital literacy among WOEes, challenging linear adoption models that dominate

current policy approaches. The findings suggest that future research should focus on quantifying optimal resilience thresholds for digital investment, exploring intersectional differences across sectors and regions, and developing integrated policy frameworks that concurrently build resilience and digital capacity. Such approaches would better reflect the complex, interdependent nature of these two critical dimensions of entrepreneurial success in the digital age.

2.6.3 Digital Literacy and Business Growth

Digital literacy is essential for driving the business growth of WOE in the contemporary digital landscape. Kass-Hanna et al. (2021) assert that digital literacy empowers WOE to establish a robust online presence, thus attracting a broader customer base and enhancing brand recognition. By leveraging e-commerce platforms, WOE can expand their reach and increase sales (List, 2019). Reddy et al. (2020) highlight the role of digital literacy in facilitating customer engagement, which can foster loyalty and repeat business, thereby contributing to growth. Moreover, Dura (2022) suggests that digital tools enable market research and insights into consumer behavior, informing strategic product development. Leaning (2019) posits that digital literacy opens access to various online resources for funding and business development, supporting WOE in scaling their operations. Ollerenshaw, Corbett, and Thompson (2021) affirm that optimizing business operations through digital tools leads to cost savings and profitability, thereby freeing resources for growth initiatives.

Fauzi et al. (2020) emphasize that digital literacy enables WOE to collect and analyze operational data, fostering informed decision-making and identifying growth opportunities. The capacity to access international markets through digital platforms enhances sales potential, while Leaning (2019) notes that staying abreast of industry trends can inspire innovation and new product development. This scalability is critical for sustainable growth (Mugumya, 2017). Ultimately, digital literacy is a key asset for WOE, enabling them to harness digital tools for business growth and long-term success.

2.6.4 Financial Resilience, Digital Literacy, and Business Growth

The convergence of digital literacy, financial resilience, and business growth is particularly salient for WOE in the modern digital economy. Kass-Hanna et al. (2021) argue that digital literacy underpins the effective use of digital tools, enabling WOE to manage financial operations and make informed growth-related decisions (List, 2019). Digital tools enhance

financial management through better record-keeping and forecasting capabilities, contributing to financial resilience. Reddy et al. (2020) emphasize that these tools provide access to critical financial resources for operational expansion. Moreover, financially resilient WOE's utilize digital tools to monitor cash flow and mitigate financial risks (Prabawati, 2019).

Digital literacy also supports diversification into online sales, which bolsters financial stability (Steyn, 2018). The use of online marketing strategies facilitated by digital literacy drives customer acquisition and business growth (Kass-Hanna et al., 2021). Fauzi et al. (2020) assert that proficiency in e-commerce allows WOE's to broaden their customer base and generate diverse revenue streams. Furthermore, data analytics enabled by digital literacy allows for strategic decision-making and operational optimization, identifying opportunities for growth (Leaning, 2019). The capacity for scaling operations to meet demand enhances sustainable growth, while knowledge of emerging technologies fosters innovation (Ollerenshaw et al., 2021). Overall, digital literacy is a crucial enabler of financial resilience and business growth for WOE's, equipping them to navigate the complexities of the digital economy successfully.

2.7 Summary of Literature Review

This chapter elucidates the critical relationships among financial resilience, digital literacy, and business growth in WOE's, framed by the Resource-Based View (RBV) theory. The RBV highlights the significance of intangible resources in cultivating competitive advantages. The literature demonstrates that financial resilience is integral to the success and growth of WOE's, as it enables effective cash flow management, facilitates funding access, and supports strategic investments in marketing and innovation. Moreover, financial resilience promotes adaptability to market changes and economic uncertainties. The interplay between financial resilience and digital literacy further emphasizes the latter's role in enhancing financial management capabilities and providing tools for navigating financial challenges and achieving growth. Ultimately, both financial resilience and digital literacy are essential for sustaining and expanding WOE's, positioning them for success in a dynamic business environment.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the research methods and instruments employed in conducting this study. It addresses the research design, study population, sampling design and size, data collection methods and instruments, as well as the validity and reliability of the instruments. Furthermore, it describes the data analysis techniques utilized and acknowledges any limitations encountered during the research process.

3.2 Research Design

A cross-sectional survey approach was adopted for this research. This design was deemed suitable as it allows for the examination of business growth at a specific point in time (Rindfleisch, 2008). The methodology facilitates the collection of data from a diverse range of women-owned enterprises, providing a snapshot of the current landscape.

3.3 Study Population

The study population consisted of women-owned enterprises located in Wakiso district. According to the Wakiso District License Database for the period between 2022 and 2024, there were 178 licensed women-owned enterprises across various categories, including retail, wholesale, and general trade (Wakiso District Commercial Office Annual Report, 2024). Thus, the target population for this research was the 178 licensed women-owned enterprises operating in the district.

3.4 Sample Size

The sample size was determined to be 123 licensed women-owned enterprises, selected using the sample size determination table developed by Krejcie and Morgan (1970). The unit of analysis was the licensed woman-owned enterprise, while the unit of inquiry included the owners or managers of these enterprises, who provided the necessary responses.

3.5 Sampling Techniques and Procedure

This study employed a multi-stage sampling approach combining stratified random sampling, simple random sampling, and purposive sampling to select women-owned enterprises in Wakiso District. The population was first stratified into three business categories including retail, wholesale, and general trade, to ensure proportional representation, followed by simple

random sampling within each stratum using a lottery method to select enterprises, and finally purposive sampling to target knowledgeable respondents which included owners/senior managers who could provide reliable information on financial and digital practices. This integrated approach enhanced the study's methodological rigor by ensuring sectoral representation, minimizing selection bias, and securing data quality from appropriate informants, thereby improving the validity and generalizability of the findings.

3.6 Data Sources

Primary data were collected through self-administered questionnaires, adhering to systematic academic protocols as recommended by Nunnally and Bernstein (1994). The questionnaires, designed for the owners or managers of the selected licensed women-owned enterprises, utilized a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The 5-point Likert scale (1=strongly disagree to 5=strongly agree) was adopted for its optimal balance between measurement sensitivity and respondent clarity, enabling nuanced data collection without cognitive overload (Nunnally & Bernstein, 1994). Its symmetrical structure facilitates robust statistical analysis and trend identification while maintaining standardization for cross-case comparability (Boone & Boone, 2012). This widely validated approach minimizes response bias and aligns with established business research methodologies, ensuring reliable measurement of financial resilience and digital literacy constructs (Sekaran & Bougie, 2016). This approach facilitated the expression of respondents' levels of agreement or disagreement with various statements, thereby enhancing the interpretability and analysis of the data. The structured format of the questionnaires allowed for standardized responses that aligned with the study's objectives.

3.7 Reliability and Validity of Research Instruments

The research instrument was developed following established methodological standards (Sekaran, 2000). Content validity was ensured through expert review by accounting and finance academics from Makerere University and Uganda Management Institute, providing theoretical grounding; policy experts from UWEP and the Ministry of Gender, Labour, and Social Development, offering policy relevance; and experienced business consultants specializing in women-owned enterprises, contributing practical insights. This triangulation of expertise ensured both academic rigor and field applicability. Instrument reliability was confirmed through a pilot study (n=30), with a Content Validity Index ≥ 0.80 and Cronbach's alpha ≥ 0.7 (Cronbach, 1946; Nunnally, 1978), meeting psychometric standards for robust measurement of

financial resilience and digital literacy constructs in the Ugandan context. The reliability indices are summarized in Table 3.1.

Table 3.1: Reliability and Validity Tests

Variable	Number of Items	Alpha Value	CVIs
Financial resilience	24	0.878	0.901
Digital literacy	15	0.867	0.890
Business growth	25	0.812	0.876

Source: Field Data, 2024

The table indicates that all alpha reliability coefficients exceeded the acceptable threshold of 0.7, confirming the internal consistency and reliability of the constructs utilized in the study.

3.8 Measurement of the Variables

The following variables, dimensions, and measurement scales were employed in the study:

Study Variables	Dimensions	Scale	Author(s)
Financial resilience	• Adaptability • Flexibility • Financial robustness	5-point scale	Salignac, Marjolin, Reeve & Muir (2019)
Digital literacy	• Information literacy • Media literacy • Technological literacy	5-point scale	Hernandez & Roberts (2018)
Business growth	• Revenue growth • Market share • Market access • Assets • Sale growth	5-point scale	Farouk & Saleh (2011)

Source: Literature Review

3.9 Data Analysis

The collected data were compiled, sorted, edited, and coded to ensure quality, accuracy, and completeness. Analysis was conducted using the Statistical Package for Social Sciences (SPSS v. 23). Descriptive statistics, item means, and factor analysis were employed to examine the impact of financial resilience and digital literacy on the business growth of women-owned enterprises. Correlation analysis was utilized to identify associations among the study objectives, while regression analysis was conducted to model and analyze relationships between variables, facilitating predictions and insights derived from the data. This comprehensive analytical approach provides researchers with robust tools to explore complex relationships and draw evidence-based conclusions.

3.10 Ethical Considerations

The study adhered to ethical standards to prevent any harm to respondents, ensuring that all participants were safeguarded from physical or emotional distress. Prior to data collection, formal authorization was obtained from the owners or managers of the enterprises to use their business information, accompanied by informed consent, which ensured that participants were fully aware of the research's purpose and voluntarily agreed to partake.

Voluntary participation was emphasized, and respondents were informed of their right to withdraw at any time without repercussions. This commitment to ethical integrity reinforced the credibility of the research. Objectivity was maintained throughout the study to avoid personal biases, ensuring that the findings reflected accurate and unbiased data.

Furthermore, the anonymity and confidentiality of respondents were strictly preserved to prevent any potential victimization or privacy breaches. Participants were assured that their identities would remain confidential, thereby fostering trust and encouraging honest responses.

CHAPTER FOUR

PRESENTATION, ANALYSIS, AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter presents the findings of the study and interprets these results in alignment with the established objectives. The chapter is divided into three primary sections: the first details the demographic characteristics of the respondents and their enterprises, focusing on factors such as gender, age group, business tenure, education level, years of operation, number of employees, annual turnover, and legal ownership of the enterprises. The demographic data are systematically organized using frequency tabulation. The second section analyzes the relationships between the study variables, utilizing the Pearson correlation matrix and factor analysis. The final section reports on the impact of the independent variables on the dependent variable through regression analysis.

4.2 Response Rate

The study's 88% response rate acquired from 108 completed questionnaires from the 123 distributed questionnaires, demonstrates strong methodological rigor for several substantiated reasons. Drawing from established survey research literature, Fowler (2013) identifies response rates above 70% as excellent for minimizing non-response bias and enhancing findings reliability, a benchmark significantly exceeded by the current study. Furthermore, Babbie (2021) emphasizes that response rates surpassing 80% substantially improve a study's external validity, ensuring our sample adequately represents women-owned enterprises in Wakiso District. This high response rate is particularly noteworthy when compared to standard business survey response rates of 50-60% (Baruch & Holtom, 2008) and the 65% threshold recommended for organizational research (Cycyota & Harrison, 2006). The achieved response rate contributes significantly to data quality by minimizing potential sampling errors (Dillman et al., 2014) and strengthening confidence in the statistical power of planned regression analyses. From a scholarly perspective, this robust response rate substantially supports the study's analytical validity while enhancing the generalizability of findings to similar populations of women-owned enterprises in Uganda's urban business context. The achieved participation level meets and exceeds established standards for survey research quality, positioning the study's methodology as particularly rigorous within the field of entrepreneurship research in developing economies.

4.3 Sample Characteristics

To illustrate the sample characteristics, frequency tabulations were employed to depict variations among respondents based on demographics such as gender, age, business tenure, and education level. For the enterprises, characteristics including years of operation, number of employees, annual turnover, and legal ownership were analyzed. These characteristics are presented in Tables 4.1 and 4.2.

4.3.1 Descriptive Characteristics of Respondents

The researcher utilized frequency tabulation to display the distribution of respondents based on gender, age, business tenure, and education level, as shown in Table 4.1.

Table 4.1: Descriptive Characteristics of Respondents

Gender	Frequency	Percentage
Male	38	35.2
Female	70	64.8
Total	108	100
Tenure of Employment	Frequency	Percentage
< 1 year	26	24.1
2 – 5 years	52	48.1
6 – 9 years	18	16.7
10 – 13 years	9	8.3
> 14 years	3	2.8
Total	108	100
Age Group	Frequency	Percentage
< 25 years	14	13.0
26-35 years	43	39.8
36-45 years	24	22.2
46-55 years	18	16.7
56 years and above	9	8.3
Total	108	100
Highest Level of Education	Frequency	Percentage
Diploma	22	20.4
Bachelor's degree	48	44.4
Master's degree	11	10.2
Postgraduate Diploma	15	13.9
Professional qualification	7	6.5
Other	5	4.6
Total	108	100

Source: Field data, 2024

The findings in Table 4.1 reveal that 64.8% of respondents identified as female, while 35.2% were male. This indicates a predominance of female representation among the respondents, suggesting that women-owned enterprises are largely managed by women. The gender distribution may also reflect broader societal trends favoring female participation in entrepreneurship, although the influence of gender on business sustainability varies based on industry and contextual factors (Kelley et al., 2017).

In terms of tenure, 48.1% of respondents reported being in business for 2 to 5 years, while 24.1% had less than one year of experience. The data imply that a significant portion of respondents possesses adequate experience and insights into financial resilience and its impact on business growth. Research indicates that longer tenure correlates with greater industry knowledge and strategic adaptability (Coad et al., 2013; Levie & Lichtenstein, 2010).

Regarding age distribution, 39.8% of respondents fell within the 26-35 age range, with 22.2% in the 36-45 age group, 16.7% in the 46-55 range, and 13% under 25. This suggests that a majority of respondents were sufficiently mature to provide informed perspectives on financial resilience and business growth. Diverse age representation can enhance organizational decision-making by integrating a wide range of experiences and insights (Ng & Sears, 2017).

Analysis of educational attainment indicates that 44.4% of respondents held bachelor's degrees, while 20.4% had diplomas. This educational background suggests that the respondents were equipped to comprehend and engage with the questionnaire content effectively. High educational levels in women-owned enterprises can significantly influence innovation and overall success (Beck, 2019).

4.3.2 Descriptive Characteristics of Enterprises

Table 4.2 presents frequency tabulation for the enterprises based on years of operation, number of employees, annual turnover, and legal ownership.

Table 4.2: Descriptive Characteristics for Enterprises

Years of Operation	Frequency	Percentage
0-1 years	14	13.0
2-5 years	48	44.4
6-10 years	28	25.9
10 years and above	18	16.7
Total	108	100
Number of Employees	Frequency	Percentage
2-4	21	19.4
5-9	48	44.4
10-14	25	23.1
15 and above	14	13.0
Total	108	100
Annual Enterprise Turnover	Frequency	Percentage
< 5 million	5	4.6
5-10 million	7	6.5
> 10 million	96	88.9
Total	108	100
Legal Ownership	Frequency	Percentage
Sole Proprietorship	32	29.6
Partnership	48	44.4
Private Limited	24	22.2
Others	4	5.3
Total	108	100

Source: Field data, 2024

The analysis of years of operation indicates that 44.4% of enterprises had been in business for 2 to 5 years, while 13% had operated for less than one year. The distribution suggests that many enterprises possess substantial operational experience, which is essential for adapting to market dynamics and building customer loyalty (Khan & Khan, 2020). Established businesses typically have a competitive edge due to accumulated experience and knowledge.

The workforce size indicates that 44.4% of enterprises employed between 5 and 9 individuals, while 23.1% employed 10 to 14. The number of employees is critical for assessing operational capacity and scalability, as larger workforces can manage higher workloads and deliver superior customer service (Kauffman, 2019).

Regarding annual turnover, a significant 88.9% of enterprises reported earnings exceeding 10 million, reflecting robust revenue streams that are crucial for financial stability and growth

(Gibb, 2014). Stable revenue is fundamental for covering operational costs, investing in growth opportunities, and sustaining business activities during economic fluctuations.

On the aspect of legal ownership, 44.4% of enterprises were classified as partnerships, while 29.6% were sole proprietorships. The legal structure of a business can significantly affect its operational framework, liability exposure, and access to capital (Kirkpatrick & Luchak, 2019). Thus, it is vital for female entrepreneurs to evaluate their legal ownership options in light of their business objectives and risk management strategies. Regular assessment of legal structures is necessary as businesses evolve and expand, ensuring alignment with long-term goals.

4.4 Factor Analysis for the Variables

To examine the factors associated with financial resilience, digital literacy, and business growth, a factor analysis was performed. The appropriateness of factor analysis for investigating these constructs is supported by several foundational sources. Fabrigar and Wegener (2012) articulate in their work on exploratory factor analysis that this method is effective for identifying underlying relationships among observed variables and for reducing dimensionality within complex datasets.

Hair et al. (2019), in their discussion of multivariate data analysis, highlight that factor analysis is particularly useful for exploring constructs that are not directly observable, such as financial resilience and digital literacy, which may influence outcomes like business growth. Additionally, Ben Ghrbeia and Alzubi (2024) demonstrate the utility of factor analysis in their study, where it was employed to investigate the relationship between digital literacy and organizational transformation, underscoring how digital competencies can enhance business performance.

Collectively, these sources substantiate the methodological rigor of applying factor analysis to investigate the factors contributing to business growth. The primary data related to the study variables were subjected to principal component analysis to ascertain factor loadings. Varimax rotation with Kaiser Normalization was employed to facilitate interpretation, and successful convergence of the factor rotations was achieved within two iterations. Only items with Eigenvalues exceeding 5.0 were considered appropriate for subsequent Pearson correlation and multiple regression analyses.

The study implemented a rigorous Eigenvalue threshold of 5.0 for factor retention, a decision grounded in both methodological best practices and the specific requirements of this research. This stringent criterion builds upon Kaiser's (1960) foundational Eigenvalue-greater-than-one rule while adopting a more conservative approach to address common challenges in social science research, particularly the risk of overfactoring (Hair et al., 2019). By setting this higher threshold, the analysis ensures that only the most robust and meaningful factors are retained for subsequent statistical procedures.

4.4.1 Factor Structure of Financial Resilience

Factor analysis was conducted to identify dimensions assessing financial resilience, utilizing principal component analysis along with varimax rotation methods. Factors with Eigenvalues greater than 1 were extracted, with these Eigenvalues indicating the proportion of variance in the total sample attributed to each factor. Three factors that is, adaptability, flexibility, and financial robustness were identified, each exhibiting Eigenvalues exceeding 1 and factor loadings of no less than ± 0.5 . Collectively, these factors accounted for 75.63% of the variance in financial resilience, as detailed in Appendix II.

According to the results presented in Appendix II, adaptability as a dimension of financial resilience accounted for 26.2% of the variance. Respondents indicated that they could easily modify their operational procedures when necessary (0.841), maintain sufficient resources to absorb unexpected changes (0.801), exhibit strong internal leadership during crises (0.752), ensure the availability of personnel to fill key roles in their absence (0.747), make prompt tough decisions (0.721), and leverage knowledge in innovative ways (0.673).

Flexibility contributed 15.2% to the variance in financial resilience, with respondents indicating they had clearly defined priorities during and after crises (0.762), proactively monitored industry trends to detect emerging issues (0.732), and effectively planned for the unexpected (0.723). They also emphasized their commitment to practicing and testing emergency plans (0.702), openness to new strategies (0.687), maintenance of diversified income streams (0.641), and the ability to implement cost-cutting measures (0.632).

Financial robustness accounted for 34.2% of the variance in financial resilience, with respondents reporting that their enterprises possessed adequate liquidity for short-term obligations (0.843), insured operations against shocks (0.828), managed financial shocks

effectively (0.761), maintained healthy cash levels (0.748), met long-term obligations (0.740), and ensured asset levels exceeded liabilities (0.708). Furthermore, they continuously monitored and optimized cost structures (0.706) and sustained operations over the long term (0.636).

4.4.2 Factor Structure of Digital Literacy

Factor analysis was employed to delineate the factors assessing digital literacy, utilizing principal component analysis and varimax rotation methods. Factors with Eigenvalues exceeding 1 were extracted, reflecting the extent of variation in the total sample explained by each factor component. Three factors that is, information literacy, media literacy, and technological literacy were identified, with Eigenvalues surpassing 1 and factor loadings of at least ± 0.5 . These factors collectively explained 53.1% of the variance in digital literacy, as illustrated in Appendix III.

Information literacy accounted for 22.8% of the variance in digital literacy, with respondents indicating their ability to update sales information using digital media (0.845), evaluate information accuracy in online sources (0.746), demonstrate confidence in search and evaluation skills (0.731), navigate web-based activities (0.726), and seek assistance online (0.706).

Media literacy contributed 17.1% to the variance, with respondents reporting their use of online media for business purposes (0.832), identification of growth opportunities through digital media (0.741), and utilization of digital technology for collaboration (0.724).

Technological literacy explained 13.2% of the variance in digital literacy, with respondents indicating their capacity to learn new digital technologies (0.726), keep abreast of essential technologies (0.688), solve ICT-related problems (0.678), and acknowledge limitations in digital skills (0.647). Furthermore, they demonstrated awareness of diverse digital technologies (0.636) and prioritized technology competence among employees (0.636).

4.4.3 Factor Structure of Business Growth

Factor analysis was conducted to identify factors assessing business growth, employing principal component analysis and varimax rotation methods. Factors with Eigenvalues greater than 1 were extracted, with these Eigenvalues denoting the proportion of variance in the total sample attributed to each factor. Three factors that is, revenue growth, asset growth, market access, and sales growth were identified, each exhibiting Eigenvalues surpassing 1 and factor

loadings of no less than ± 0.5 . These factors collectively explained 79.86% of the variance in business growth, as presented in Appendix IV.

According to the results in Appendix IV, revenue growth as a dimension of business growth contributed 27.4% of the variance, with respondents reporting infrequent disruptions due to cash shortages (0.841), ease in cash management for debt obligations (0.801), and consistent year-on-year profit increases (0.783). Respondents also indicated expansion through prudent loan management (0.718).

Asset growth accounted for 13.4% of the variance, with respondents noting widespread branch networks (0.812), increased asset bases (0.731), and enhanced product lines (0.672).

Market access contributed 18.6% of the variance in business growth, with respondents indicating growth in customer bases (0.761), increased competitiveness (0.740), and higher market value (0.708).

Sales growth explained 20.5% of the variance, with respondents noting improvements in potential customer bases (0.772), purchasing frequencies (0.763), and sales turnover (0.648).

4.5 Relationship between the Study Variables

This section presents the results addressing the research objectives, utilizing Pearson's Correlation Test to explore the interrelationships among the study variables. A zero-order correlation table was generated to examine the associations among the constructs. The Pearson correlation coefficient (r) was employed to quantify the relationships among financial resilience, digital literacy, and business growth. This method allows for a clear assessment of the strength of associations between the variables (Wong & Hiew, 2005). The use of Pearson's r provides a numeric indication of whether these variables exhibit weak, moderate, or strong relationships. According to Wong and Hiew (2005), correlation coefficient values (r) ranging from 0.10 to 0.29 are classified as weak, from 0.30 to 0.49 as moderate, and from 0.50 to 1.0 as strong. Furthermore, Field (2005) suggests that correlation coefficients should not exceed 0.8 to mitigate multicollinearity concerns. The highest observed correlation coefficient in this study was $r = 0.645$, well below the 0.8 threshold, indicating no issues with multicollinearity.

Table 4.3: Correlation Analysis

Variables	1	2	3
Financial resilience (1)	1.00		
Digital literacy (2)	.423**	1.00	
Business growth (3)	.554**	.482**	1.00
Correlation is significant at the 0.01 level (2-tailed)			

Source: Field data, 2024

4.5.1 Financial Resilience and Business Growth

The findings presented in Table 4.3 indicate a positive and statistically significant correlation between financial resilience and business growth ($r = .554^{**}$, $p < .01$). The correlation coefficient of 0.554 denotes a moderately strong positive association, suggesting that a change in each of them will result into both variables increasing. Specifically, this relationship implies that enhancing financial resilience may promote business growth, and vice versa. Key attributes of financial resilience including adaptability, flexibility, and financial robustness are essential for the growth of women-owned enterprises. Therefore, these enterprises must cultivate adaptability to changing conditions, operational flexibility, and robust financial management to withstand economic fluctuations.

For women-owned enterprises within the district, a strategic focus on improving financial resilience may be instrumental in fostering business growth. Such an approach could involve implementing practices that enhance their capacity to adapt to market fluctuations, maintain operational flexibility, and ensure effective financial management. The results underscore the critical role of financial resilience in facilitating the growth of women-owned enterprises in the district, indicating that enhancements in adaptability, flexibility, and financial robustness are likely to yield positive outcomes for business success and sustainability.

4.5.2 Financial Resilience and Digital Literacy

The analysis summarized in Table 4.3 reveals a positive correlation between financial resilience and digital literacy ($r = .423^{**}$, $p < .01$), suggesting a moderate relationship between these two constructs. Specifically, suggesting that a change in each of them will result into both variables increasing. Financial resilience encompasses dimensions such as adaptability, flexibility, and financial robustness, which collectively empower women entrepreneurs to navigate challenges effectively and sustain their business operations. Moreover, the findings indicate that when women entrepreneurs embody adaptability and flexibility in their operations, and prioritize

financial robustness, they enhance their capabilities in information literacy, media literacy, and technological literacy. These forms of digital literacy are essential for effectively leveraging digital tools and platforms.

By fostering adaptability and flexibility, women entrepreneurs are better equipped to manage the dynamic nature of the business environment, which includes embracing new technologies, adopting innovative practices, and remaining informed about industry trends. Financial robustness, characterized by a strong financial standing, facilitates investments in digital tools and training, thereby enhancing digital literacy skills among women entrepreneurs. The results highlight the interconnectedness of financial resilience and digital literacy for women-owned enterprises. Emphasizing adaptability and flexibility in operations, alongside promoting financial robustness, positively influences the development of information literacy, media literacy, and technological literacy. As a result, these enhanced digital literacy skills empower women entrepreneurs to utilize digital resources effectively, ultimately contributing to the growth and sustainability of their businesses.

4.5.3 Digital Literacy and Business Growth

The correlation results presented in Table 4.3 further demonstrate significant and positive associations between digital literacy and business growth ($r = .482^{**}$, $p < .01$). The analysis reveals that an increase in digital literacy regarding information literacy, media literacy, and technological literacy will cause a corresponding increase in the capacity of women entrepreneurs to sustain their enterprises. The moderate positive relationship indicates that as digital literacy increases, so does the potential for business growth among women entrepreneurs. These dimensions of digital literacy are critical for effectively managing and scaling enterprises. The findings suggest that higher levels of information literacy, media literacy, and technological literacy correlate positively with the growth and sustainability of women-owned businesses. Such skills enable entrepreneurs to efficiently access and utilize information, leverage media for marketing and communication, and adopt technological tools for various business operations.

The enhancement of digital literacy thereby fortifies women-owned enterprises against competitive pressures, contributing to their long-term sustainability. Information literacy fosters informed decision-making, media literacy facilitates effective promotion and customer engagement, while technological literacy enables efficient operations and innovation.

Consequently, the findings underscore the importance of digital literacy as a pivotal factor influencing business growth among women-owned enterprises. Initiatives aimed at improving digital literacy among women entrepreneurs could substantially enhance their business growth and overall success.

4.5.4 Mediating Effect of Digital Literacy in the Relationship between Financial Resilience and Business Growth

In line with the framework established by Baron and Kenny (1986), the concept of mediation entails a three-variable system where two distinct pathways contribute to an outcome variable: the direct impact of the independent variable (IV), financial resilience, on the dependent variable (DV), business growth, and an indirect pathway from financial resilience to business growth via the mediating variable (MV), digital literacy. The evaluation of mediation involves three critical steps:

Variations in financial resilience (IV) must significantly account for variations in the criterion variable (CV), thus indicating a potential relationship for mediation. A significant relationship must be established between financial resilience and digital literacy. When regressing the CV on financial resilience while controlling for digital literacy, the previously significant relationship should become statistically insignificant. In instances of strong mediation, the direct path from financial resilience to the CV should be reduced to zero ($\beta = 0$).

Mediation Test

To assess the mediating effect, the analysis adhered to the conceptual and statistical guidelines proposed by Baron and Kenny (1986), as depicted in Figure I. The first step involved regressing financial resilience on business growth to confirm the presence of a mediating effect (path c in Figure IA). Subsequently, digital literacy was regressed on financial resilience to establish the connection between the independent variable and the mediator (path a in Figure IB). Finally, business growth was regressed on both financial resilience and digital literacy to ascertain whether digital literacy is associated with business growth while also controlling for financial resilience.

Figure 4.1: The Hypothesized Mediation Model

Figure 4.1A

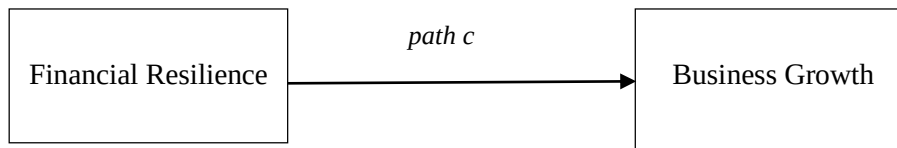
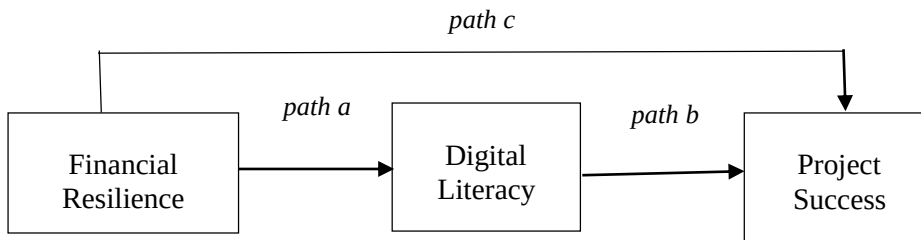


Figure 4.1B



The test above demonstrated the strength of the mediation effect, which was further examined using the Sobel test. Data from the regression analysis was input into MedGraph-PC to conduct the Sobel mediation test. This program visually represents the mediation among the three variables.

Sobel Test

Table 4.4: Testing Digital Literacy as a Mediator of the Relationship between Financial Resilience and Business Growth Using Multiple Regression

Step for Testing for Mediation	B	SE	B
Testing Step 1 (path c) Outcome: Business growth Predictor: Financial resilience	1.314	0.074	0.632(p<.001)
Testing Step 2 (path a) Outcome: Digital literacy Predictor: Financial resilience	0.658	0.058	0.613(p<.001)
Testing Step 3 (paths b & c) Outcome: Business growth Mediator: Digital literacy (path b) Predictor: Financial resilience	0.726 0.534	0.089 0.120	0.514(p<.001) 0.222(p<.001)

Source: Field data, 2024

The results of the mediation analysis for digital literacy on the relationship between financial resilience and business growth are as follows:

Type of Mediation: Partial

Partial, meaning digital literacy partially mediates the relationship between financial resilience and business growth. Both direct and indirect effects are present.

Sobel Test:**z-value: 12.46721**

Significance: $p < 0.000001$, indicating that the mediation effect of digital literacy is highly significant.

Direct Effect: 0.222

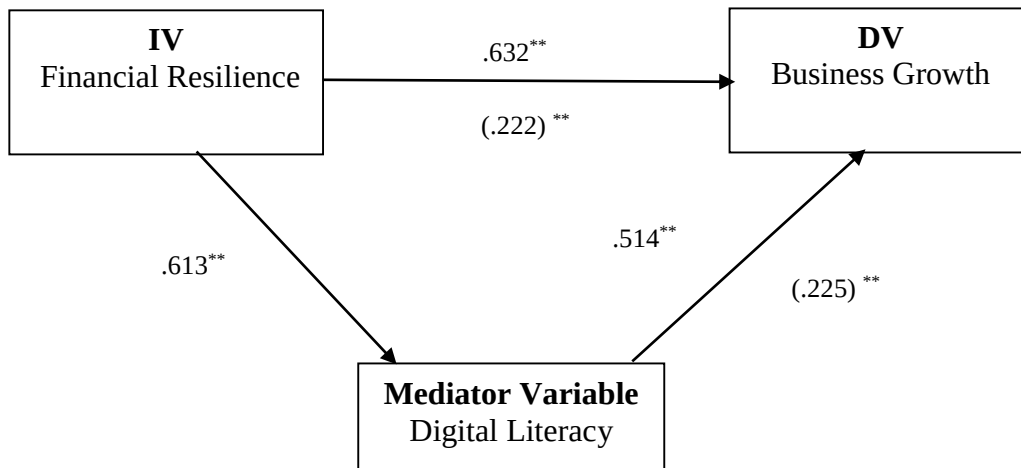
Financial resilience has a direct positive impact on business growth, even when digital literacy is considered.

Indirect Effect: 0.225

Digital literacy partially explains the relationship between financial resilience and business growth.

Total Effect: 0.447

The combined impact of financial resilience on business growth, including both direct and mediated effects through digital literacy, is moderately strong.

Figure 4.2: The Hypothesized Mediation Model

The model above presented the following results;

Path c (Direct Effect): In step 1, financial resilience significantly predicts business growth with a coefficient of $B = 1.314$ and a standardized effect size of $\beta = 0.632$ ($p < 0.001$). This shows a strong positive relationship between financial resilience and business growth.

Path a (Effect on Digital Literacy): In step 2, financial resilience also significantly predicts digital literacy ($B = 0.658$, $\beta = 0.613$, $p < 0.001$) suggesting that financial resilience enhances digital literacy.

Path b (Mediating Effect of Digital Literacy): In step 3, digital literacy positively predicts business growth ($B = 0.726$, $\beta = 0.514$, $p < 0.001$) while the direct effect of financial resilience on business growth is reduced ($B = 0.534$, $\beta = 0.222$, $p < 0.001$). This reduction indicates that digital literacy partially mediates the relationship between financial resilience and business growth.

Mediation Test Conclusion

Partial mediation is evident. Financial resilience influences business growth directly, but also indirectly through digital literacy. The significant drop in the direct effect (from $\beta = 0.632$ to $\beta = 0.222$) after including digital literacy suggests that financial resilience still impacts business growth but digital literacy plays a key mediating role. By fostering digital literacy, women-owned enterprises can leverage their financial resilience more effectively, translating it into greater business growth.

These findings further highlight the need to develop digital literacy skills among entrepreneurs to maximize the benefits of financial resilience for business growth. Policymakers, educators, and business support organizations should focus on initiatives that enhance digital literacy alongside efforts to build financial resilience among entrepreneurs. Overall, the results provide robust evidence supporting the significant mediation effect of digital literacy on the relationship between financial resilience and business growth. This emphasizes the importance of incorporating digital literacy initiatives into programs aimed at fostering entrepreneurship and economic development.

4.6 Regression Analysis

A regression analysis was conducted to evaluate the extent to which financial resilience and digital literacy predict business growth. In this analysis, the responses of individuals within each enterprise were aggregated to represent a single woman-owned business. The predictive capability of financial resilience and digital literacy for business growth is summarized in the regression model displayed in Table 4.5.

Table 4.5: Prediction Model for the Study Variables

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	
(Constant)	0.222	0.120		4.563
Financial Resilience	0.613	0.058	.432	0.000
Digital Literacy	0.514	0.089	.253	0.000
Dependent Variable: Business Growth		F-statistic (2,105) = 60.784 p < 0.001		
R = 0.732				
R ² = 0.536				
Adjusted R ² = 0.527				

Source: Field data, 2024

The regression model presented in Table 4.5 examines the influence of financial resilience and digital literacy on business growth, providing key statistical insights into the predictive power of these variables. The model's overall fit, as indicated by the F-statistic (2, 105) = 60.784, $p < 0.001$, is statistically significant, suggesting that the combined effect of financial resilience and digital literacy significantly predicts business growth. The coefficient of determination (Adj $R^2 = 0.527$) reveals that approximately 52.7% of the variance in business growth is explained by the two independent variables, indicating a moderately strong predictive relationship. The adjusted R^2 (0.527), which accounts for sample size and predictor numbers, further confirms the model's robustness, minimizing the risk of overfitting.

The unstandardized coefficients (B) reflect the expected change in business growth for each one-unit increase in the predictor variables, holding other variables constant. Financial resilience ($B = 0.613$, $p < 0.001$) demonstrates a strong positive effect, implying that a one-unit increase in financial resilience corresponds to a 0.613-unit increase in business growth. Similarly, digital literacy ($B = 0.514$, $p < 0.001$) also exerts a significant positive influence, with a one-unit increase leading to a 0.514-unit rise in business growth. The standardized coefficients (Beta) allow for a comparison of the relative importance of each predictor. Financial resilience ($\beta = 0.432$) has a stronger standardized effect than digital literacy ($\beta = 0.253$), suggesting that financial resilience contributes more substantially to business growth when both variables are measured on the same scale. This aligns with theoretical expectations, as financial resilience enhances a firm's capacity to withstand economic shocks and reinvest in growth opportunities, whereas digital literacy facilitates operational efficiency and market expansion but may have a secondary impact compared to direct financial stability.

The t-values assess whether each predictor significantly contributes to the model. Both financial resilience and digital literacy exhibit highly significant t-values ($p < 0.001$), confirming their statistically meaningful roles in predicting business growth. The constant term ($B = 0.222$, $t = 4.563$) is also significant, indicating that even in the absence of financial resilience and digital literacy, there is a baseline level of business growth, possibly attributable to other unmeasured factors. The findings suggest that financial resilience is a critical driver of business growth, supporting prior research emphasizing liquidity management, access to credit, and risk mitigation as key growth enablers. The significant, albeit smaller, effect of digital literacy aligns with studies highlighting digital skills as facilitators of innovation and market competitiveness. However, the stronger influence of financial resilience implies that while digital transformation is important, financial health remains a fundamental prerequisite for sustained business expansion.

The model's explanatory power ($\text{Adj } R^2 = 0.527$) indicates that while financial resilience and digital literacy are important, nearly 47.3% of the variance remains unexplained, suggesting the potential influence of other factors such as managerial expertise, market conditions, or regulatory environments. Future research could incorporate additional variables to enhance predictive accuracy. This regression analysis robustly confirms that both financial resilience and digital literacy significantly predict business growth, with financial resilience playing a more dominant role. The model's statistical validity, supported by high F-statistics and significant coefficients, underscores the importance of financial stability and digital competence in fostering business success. Policymakers and business support programs should prioritize financial management training alongside digital upskilling to maximize entrepreneurial growth potential.

4.7 Summary of Chapter

Chapter Four presented an overview of the results concerning the characteristics of the study sample, the relationships among the study variables as revealed through correlation analysis, and the impact of the independent variables on the dependent variable as assessed through regression analysis. The chapter highlighted significant positive correlations among all study variables, indicating that both financial resilience and digital literacy serve as strong predictors of business growth in women-owned enterprises. These findings lay the groundwork for Chapter Five, which will encompass a summary of the findings, a discussion of their implications, conclusions drawn from the study, and recommendations for future action.

CHAPTER FIVE

DISCUSSION, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a comprehensive discussion of the findings derived from the research conducted in Chapter Four, alongside conclusions and recommendations. Additionally, it identifies potential areas for further research.

5.2 Summary of the Findings

The primary objective of this study was to investigate the relationship between financial resilience, digital literacy, and the business growth of women-owned enterprises in the Wakiso district. The analysis of the respondent sample revealed that female respondents, particularly those with employment tenures of 2-5 years and within the 26-35 age group, were more actively engaged. Furthermore, respondents holding bachelor's degrees demonstrated higher responsiveness. Regarding enterprise characteristics, the majority had been operational for 2-5 years, employed between 5 and 9 staff members, and reported annual turnovers exceeding 10 million. The prevalence of partnership businesses was noted among the surveyed enterprises.

The correlational analysis established positive and statistically significant relationships between the study variables and the business growth of women-owned enterprises. These findings were consistent with the results from the mediation effect analysis and regression analysis, confirming that both financial resilience and digital literacy serve as predictors of business growth in women-owned enterprises.

5.3 Discussion of the Findings Related to the Study Objectives

5.3.1 Financial Resilience and Business Growth

The first objective focused on examining the relationship between financial resilience and the business growth of women-owned enterprises in the Wakiso district. The correlation analysis indicated a positive and significant relationship between financial resilience and business growth, suggesting a moderate positive association. This suggests that higher levels of financial resilience are associated with greater business growth. Likewise, business growth tends to be stronger when financial resilience is higher. Existing literature consistently underscores the importance of financial resilience for fostering business growth. For instance, Lyons et al. (2020) found that organizations with robust financial resilience are better equipped to navigate

economic downturns, invest in growth opportunities, and achieve sustainable development. This finding aligns with the observed moderate positive relationship in the current study, where enhanced financial resilience correlates with improved business growth.

According to Matlay (2023), financially resilient enterprises are more capable of investing in innovation, technology, and human resources, all of which are critical drivers of business growth. These investments enable businesses to enhance productivity, penetrate new markets, and improve their competitive advantage. Additionally, effective risk management practices, a key component of financial resilience, allow businesses to mitigate potential losses and capitalize on growth opportunities. Rashid et al. (2022) assert that businesses that proactively manage financial risks are better positioned to take advantage of favorable market conditions, leading to enhanced growth metrics. Numerous empirical studies corroborate the positive relationship between financial resilience and business growth. For instance, Klapper and Lusardi (2020) reported that small and medium-sized enterprises (SMEs) exhibiting higher financial resilience demonstrated superior growth metrics, such as increased sales and market share. Similarly, Okello et al. (2017) noted that financial resilience significantly contributes to the growth and sustainability of SMEs in emerging markets.

The strength of the relationship between financial resilience and business growth may vary across different industries and regions. For example, in volatile sectors such as technology or retail, financial resilience might play a more pronounced role compared to more stable sectors like utilities (Matlay, 2023). Furthermore, businesses in developing economies may exhibit stronger correlations due to the higher frequency and impact of economic shocks (Lyons et al., 2020). Given the moderate to strong positive relationship observed, it is imperative for businesses to prioritize building financial resilience through robust financial planning, maintaining adequate reserves, and implementing comprehensive risk management strategies. The significant positive correlation between financial resilience and business growth underscores the critical role that sound financial management plays in fostering business success. By reinforcing financial resilience, businesses can effectively navigate economic challenges, invest in growth opportunities, and achieve sustained development. The findings align well with existing literature, highlighting the multifaceted benefits of financial resilience in driving business growth across various contexts.

5.3.2 Financial Resilience and Digital Literacy

The findings reveal a significant positive relationship between financial resilience and digital literacy, suggesting that financially resilient individuals are more likely to develop and utilize digital financial skills. This relationship aligns with the Resource-Based View (RBV), which posits that firms (and by extension, individuals) with stronger resource bases are better positioned to adopt and leverage new technologies (Barney, 1991). In this context, financial resilience, defined as the ability to withstand economic shocks while maintaining financial stability (Nkundabanyanga et al., 2019), provides the necessary foundation for individuals to invest in digital upskilling and adopt digital financial tools. Financially resilient individuals have greater access to digital infrastructure (e.g., smartphones, internet connectivity) and are more likely to invest in digital learning platforms (Kass-Hanna et al., 2021). This is particularly evident in emerging economies, where financial stability determines whether individuals can afford digital tools and training. For instance, Atiase et al. (2022) found that small business owners with stronger financial buffers were more likely to adopt digital payment systems and e-commerce platforms, enhancing their digital literacy over time.

Moreover, financial resilience fosters a risk-tolerant mindset, encouraging individuals to experiment with new digital financial services (Grohmann et al., 2018). Unlike financially vulnerable populations, who may avoid digital transactions due to fear of fraud or errors, financially secure individuals are more willing to engage with fintech solutions, thereby improving their digital competencies (Lyons et al., 2020). Koomson et al. (2022) demonstrated that financially resilient households in Ghana were 37% more likely to use mobile banking, suggesting that economic stability facilitates digital adoption. Dura (2022) found that women entrepreneurs with emergency savings, a key indicator of financial resilience, were twice as likely to participate in digital literacy programs, as they could afford the opportunity cost of training time. Zahedi et al. (2021) highlighted that SMEs with strong cash reserves invested more in digital tools, leading to improved digital literacy among staff.

This study extends prior literature by positioning financial resilience as a precursor to digital literacy, rather than merely an outcome. The findings challenge the assumption that digital literacy alone drives financial resilience, instead suggesting a bidirectional reinforcement loop, where financial stability enables digital upskilling, which in turn enhances financial management capabilities. From a policy standpoint, these results imply that financial inclusion initiatives must precede or accompany digital literacy programs. For example, microloan

schemes or savings incentives could provide the economic foundation needed for individuals to engage meaningfully with digital financial education (Reddy et al., 2020).

5.3.3 Digital Literacy and Business Growth

The findings demonstrated a significant positive relationship between digital literacy and business growth, underscoring the importance of digital literacy in supporting the long-term growth of women-owned businesses. This suggests that as digital literacy among women-entrepreneurs increases, so does the growth of their enterprises. Digital literacy encompasses various components, including information literacy, media literacy, and technological literacy, which collectively enhance business performance and sustainability. The observed correlation indicates that digital literacy plays a crucial role in fostering business growth among women entrepreneurs. Digital literacy equips entrepreneurs with the essential skills necessary for leveraging digital tools and technologies that can drive business expansion and sustainability (List, 2019). Numerous studies reinforce the positive correlation between digital literacy and business growth. Information literacy the ability to locate, evaluate, and utilize information effectively is vital for entrepreneurs in conducting market research, competitor analysis, and strategic planning (Leaning, 2019). According to Dura (2022), information-literate entrepreneurs are capable of making informed decisions that enhance business growth and competitiveness.

Moreover, media literacy enables entrepreneurs to effectively utilize social media platforms for marketing, customer engagement, and brand development. Research conducted by Ollerenshaw et al. (2021) highlights the significance of social media literacy in formulating effective digital marketing strategies that drive business growth. Technological literacy, which involves understanding and using digital tools and technologies, can lead women entrepreneurs to adopt e-commerce platforms, digital payment systems, and online service delivery methods, thereby expanding their market reach and improving operational efficiency. A study by Reddy et al. (2020) emphasizes the role of technological literacy in facilitating technology adoption and enhancing business performance. According to Leaning (2019), digitally literate women entrepreneurs can adapt to shifting market conditions, innovate, and maintain a competitive advantage. Digital literacy enables businesses to reach broader audiences through online platforms, which can result in increased sales and growth. Additionally, the use of digital tools can streamline operations, reduce costs, and enhance productivity. For instance, digital

inventory management systems and online customer service platforms can improve operational efficiency.

Digital literacy fosters a culture of innovation, allowing entrepreneurs to develop new products and services while quickly adapting to technological advancements and market trends (Abiodun, 2016). Fauzi et al. (2020) argue that digital tools for financial management, such as accounting software and online banking, facilitate better financial oversight and planning, thereby contributing to business stability and growth. The significant positive relationship between digital literacy and business growth underscores the importance of digital skills for women entrepreneurs. By enhancing information, media, and technological literacy, women entrepreneurs can achieve sustainable business growth and maintain a competitive edge. Future research could investigate specific interventions designed to effectively improve digital literacy and assess their direct impacts on various aspects of business performance.

5.3.4 Financial Resilience, Digital Literacy, and Business Growth

The findings indicate that financial resilience and digital literacy significantly influence the business growth of women-owned enterprises, with financial resilience emerging as the most substantial predictor. This highlights the multifaceted nature of business success, wherein both sound financial management and proficiency in digital tools play pivotal roles. Women entrepreneurs who possess robust financial management practices and can adeptly navigate financial challenges are more likely to achieve and sustain business growth. According to Steyn (2018), effective financial management is essential for business growth. Entrepreneurs with strong financial management skills are better positioned to make informed decisions, optimize resource allocation, and plan for long-term growth. Matlay (2023) found that financial literacy training significantly enhances business outcomes by improving financial management skills. Furthermore, Lyons et al. (2020) assert that access to finance is critical for business expansion and resilience, particularly for women entrepreneurs who often face barriers in accessing credit (Prabawati, 2019). Overcoming these barriers through effective financial strategies can secure the necessary capital for growth and investment.

Rashid et al. (2022) assert that financial resilience encompasses the capacity to manage financial crises and adapt to economic fluctuations. Klapper and Lusardi (2020) further underscore that businesses adept at navigating financial downturns and recovering from economic shocks are more likely to achieve sustained growth. Entrepreneurs exhibiting

financial resilience can insulate their businesses from uncertainties, thereby ensuring continuity and expansion. Critical components of financial resilience include sound financial planning and effective liquidity management. Entrepreneurs who maintain liquidity and adeptly manage cash flow are better positioned to capitalize on growth opportunities and mitigate financial risks (Okello et al., 2017).

Leaning (2019) indicates that digital literacy, which encompasses skills in information literacy, media literacy, and technological literacy, significantly influences business growth. Digital literacy empowers entrepreneurs to leverage digital tools and technologies that enhance various facets of their operations. For instance, digital marketing literacy enables entrepreneurs to effectively utilize digital marketing tools and social media platforms. Kass-Hanna et al. (2021) emphasize that such marketing acumen allows businesses to reach broader audiences, engage customers more effectively, and cultivate a robust online presence, ultimately driving business growth. Technological literacy facilitates the adoption of digital tools that streamline operations and foster innovation. Fauzi et al. (2020) argue that the adoption of technology, driven by digital literacy, leads to improved efficiency, reduced operational costs, and enhanced productivity, all of which contribute to business growth. Information literacy equips entrepreneurs to access, evaluate, and apply relevant market information effectively. According to Reddy et al. (2020), the capability to gather and apply information fosters better strategic decision-making, thereby promoting business growth.

Moreover, digital literacy cultivates a culture of innovation and adaptability. Entrepreneurs proficient in digital tools can swiftly adapt to technological advancements and evolving market conditions, which is essential for sustaining growth in a dynamic business environment (List, 2019). The significant influence of financial resilience and digital literacy on business growth underscores the multifaceted nature of entrepreneurial success. While financial resilience emerges as the most critical predictor, digital literacy also plays an essential role. Enhancing both financial resilience and digital literacy can substantially contribute to the growth and sustainability of women-owned enterprises. Future research should aim to identify specific interventions that effectively bolster financial resilience and digital literacy among women entrepreneurs and evaluate their direct impact on business performance.

5.4 Conclusions of the Study

The conclusions drawn from this study are closely aligned with its objectives. The findings indicate a significant and positive relationship between financial resilience and business growth among women-owned enterprises. Key attributes of financial resilience namely adaptability, flexibility, and financial robustness are essential for the growth and sustainability of these enterprises. For women-owned businesses in the Wakiso district, enhancing financial resilience is crucial for promoting business growth. This underscores the importance of prioritizing strategies that bolster financial resilience, such as implementing financial literacy programs, improving access to credit, and providing crisis management training. By focusing on these areas, women-owned enterprises can achieve greater success and sustainability, ultimately contributing to the economic development of the district.

Additionally, the study findings reveal a positive and significant relationship between financial resilience and digital literacy. The attributes of financial resilience that is, adaptability, flexibility, and financial robustness play a critical role in enhancing the digital literacy skills of women entrepreneurs, which include information literacy, media literacy, and technological literacy. Financial resilience empowers women entrepreneurs to navigate challenges effectively, sustain business operations, and invest in digital tools and training. This adaptability fosters a willingness to embrace new technologies, adopt innovative practices, and stay informed about industry trends, thereby leading to improved digital literacy. The findings highlight the interconnectedness between financial resilience and digital literacy for women-owned enterprises.

The study further establishes a significant and positive correlation between digital literacy and business growth among women entrepreneurs, indicating that higher levels of digital literacy are associated with increased business growth in this demographic. Moreover, the findings suggest that information literacy, media literacy, and technological literacy collectively contribute to the sustainability and survival of women-led enterprises. Therefore, investing in enhancing these literacy skills among women entrepreneurs is likely to bolster their business success and resilience in the dynamic digital landscape.

Moreover, the results indicate that while financial resilience directly affects business growth, there exists both a significant direct effect and a significant indirect effect mediated by digital literacy. This underscores the essential role of digital literacy in enhancing the relationship

between financial resilience and business growth. The findings highlight the necessity of prioritizing initiatives aimed at developing digital literacy skills among entrepreneurs. Consequently, integrating digital literacy initiatives into programs designed to promote entrepreneurship and economic development is critical for facilitating sustainable growth and resilience within the business landscape.

Overall, the study reveals that financial resilience and digital literacy collectively serve as significant predictors of business growth. When considered together, these two variables account for a substantial portion of the variability observed in business growth across the sample. This underscores the importance of both financial resilience and digital literacy in driving entrepreneurial success, suggesting that interventions targeting these factors could significantly contribute to fostering sustainable business growth.

5.5 Recommendations of the Study

In light of the research findings, the following recommendations are proposed:

Financial Resilience and Business Growth

Women entrepreneurs are encouraged to implement robust financial management practices within their enterprises. This encompasses maintaining accurate financial records, effective budgeting, and diligent cash flow monitoring to ensure financial stability and resilience. Additionally, to foster business growth, women-owned enterprises should prioritize enhancing their adaptability and flexibility. This includes being responsive to market fluctuations, customer preferences, and industry trends. Embracing innovation and agility in operations can facilitate competitiveness and resilience in dynamic environments. Providing financial literacy training and resources to women entrepreneurs can empower them to make informed financial decisions and effectively manage their enterprises' finances. Such initiatives may include workshops, seminars, or online courses tailored to address specific financial management challenges faced by women-owned enterprises.

Financial Resilience and Digital Literacy

Given the significant positive relationship between financial resilience and digital literacy among women entrepreneurs, it is recommended that comprehensive training programs be developed that integrate both financial and digital literacy components. These programs should equip women entrepreneurs with the necessary skills and knowledge to manage their finances

effectively while leveraging digital tools and platforms to enhance business operations and growth. It is essential to ensure that women entrepreneurs have access to digital resources, tools, and training programs aimed at improving their digital literacy skills. This may include workshops, online courses, or mentorship opportunities focused on enhancing information literacy, media literacy, and technological literacy.

Digital Literacy and Business Growth

The study highlights the need to design and implement targeted digital literacy programs specifically tailored to address the needs and challenges faced by women entrepreneurs. These programs should enhance information literacy, media literacy, and technological literacy, providing practical training and resources to empower women to leverage digital tools for business growth effectively. Moreover, it is crucial to ensure that digital literacy training resources are readily accessible to women entrepreneurs, irrespective of their geographical location or socio-economic status. This may involve offering online courses, workshops, mentorship programs, and community-based initiatives that cater to diverse learning preferences and needs. Additionally, there is a need to identify and address barriers that impede women's access to digital literacy training and participation in the digital economy. Addressing issues related to affordability, connectivity, cultural barriers, and gender biases is vital to ensure equitable access and participation for all women entrepreneurs.

Mediation Effect of Digital Literacy on the Relationship between Financial Resilience and Business Growth

The study recommends that policymakers, educators, and business support organizations integrate digital literacy initiatives into entrepreneurship programs. Such initiatives can include training sessions, workshops, or online resources aimed at enhancing entrepreneurs' digital skills. Given the significant contribution of digital literacy to the relationship between financial resilience and business growth, it should be prioritized alongside efforts to build financial resilience among entrepreneurs. This may involve allocating resources and funding specifically for digital literacy programs. Additionally, entrepreneurship support programs should be designed to incorporate components that address both financial resilience and digital literacy. By doing so, entrepreneurs can effectively leverage their financial resources while harnessing the potential of digital tools and technologies to grow their businesses. Furthermore, efforts should be made to raise awareness among entrepreneurs regarding the importance of digital literacy in driving business growth. This could involve communication campaigns, testimonials

from successful entrepreneurs, and showcasing examples of how digital tools have positively impacted businesses.

5.6 Areas for Further Study

- i) This study focused on financial resilience, digital literacy, and business growth in women-owned enterprises in Uganda. Future research should aim to collect data from a broader range of women-owned enterprises across Uganda to ascertain and compare findings more comprehensively.
- ii) The study employed a cross-sectional survey design, which assessed the state of affairs of women-owned enterprises at a single point in time. To gain deeper insights into the nature and quality of financial resilience, digital literacy, and business growth, a longitudinal study design would be more appropriate.
- iii) The model utilized in this study accounted for only 50.3% of the variance in business growth, leaving 49.7% unexplained. Future research should consider additional variables not included in the current model to better predict the variance in business growth.
- iv) While a quantitative approach was adopted for this study, it is recommended that future research incorporate qualitative methodologies to explore business growth in women-owned enterprises in Uganda more thoroughly.

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APPENDIX I

QUESTIONNAIRE

Dear respondent,

I am a student at Makerere University pursuing a Master of Business Administration majoring in Finance. I am researching on Financial Resilience, Digital Literacy and Business Growth of Women-Owned Enterprises in Wakiso District. Given your unique experience and position in Uganda's private sector, you have been chosen purposely for the study. Your response is therefore very instrumental to the success of my project. Kindly assist by answering the following questions as honestly as possible. The data sought shall be purely for research purposes and will therefore be treated with anonymity and utmost confidentiality.

SECTION A: Personal Profile

Kindly tick (✓) the appropriate answer option.

1. What is your gender?

Male	Female

2. Your Age of Range

<25yrs	26-35yrs	36-45yrs	46-55yrs	56yrs and above

3. How long have you been involved in business?

< 1 year	2 – 5yrs	6 –9yrs	10 – 13yrs	>14yrs

4. Your highest level of education

Diploma	Degree	Masters	Postgraduate Diploma	Professional qualification	other

Section I (b): Company Characteristics:

Kindly tick (✓) the appropriate answer option

5. Years of operation of the enterprise

0-1yrs	2-5yrs	6-10yrs	10yrs & above

6. Number of employees at the enterprise

2-4	5-9	10-14	15 & above

7. Annual turnover for the enterprise

<5m	5-10m	>10m

8. Legal ownership of the enterprise

Sole Proprietorship	Partnership	Private Limited	Others

Section B: Financial Resilience

Please indicate the extent to which you agree or disagree with the statements below

Key: 5=SA-strongly agree; 4=A-agree; 3=NS- not sure; 2=D-disagree; and 1=SD-strongly disagree

Code	Adaptability	SD	D	NS	A	SA
FRA1	We easily adjust our operating procedures in case of need	1	2	3	4	5
FRA2	Our business maintains sufficient resources to absorb some unexpected change	1	2	3	4	5
FRA3	If key people were unavailable, there are always others who could fill their role	1	2	3	4	5
FRA4	There is good leadership from within our business if we are struck by a crisis	1	2	3	4	5
FRA5	We are known for our ability to use knowledge in novel ways	1	2	3	4	5
FRA6	We can make tough decisions quickly	1	2	3	4	5
Code	Flexibility	SD	D	NS	A	SA
FRF7	Given how others depend on us, the way we plan for the unexpected is appropriate	1	2	3	4	5
FRF8	Our business is committed to practicing and testing its emergency plans to ensure they are effective	1	2	3	4	5
FRF9	We have a focus on being able to respond to the unexpected	1	2	3	4	5
FRF10	We have clearly defined priorities for what is important during and after a crisis	1	2	3	4	5
FRF11	We proactively monitor our industry to have an early warning of emerging issues	1	2	3	4	5
FRF12	We are flexible in response to changing economic conditions, market dynamics, and regulatory environments.	1	2	3	4	5
FRF13	We are open to new strategies and adjusting plans as needed.	1	2	3	4	5
FRF14	Our diversified income streams provide a buffer.	1	2	3	4	5
FRF15	We implement cost-cutting measures or reallocate resources to more critical areas.	1	2	3	4	5
Code	Financial robustness	SD	D	NS	A	SA
FRR16	We deal with financial shocks well	1	2	3	4	5
FRR17	Most of our operations are insured against shocks and uncertainties	1	2	3	4	5
FRR18	Our business can meet its long-term financial obligations.	1	2	3	4	5
FRR19	Our business has assets that exceed its liabilities.	1	2	3	4	5
FRR20	Our business has sufficient liquidity to meet short-term obligations and unexpected expenses.	1	2	3	4	5
FRR21	Our business maintains a healthy level of cash on hand.	1	2	3	4	5
FRR22	Our business can sustain and grow its operations over the long term.	1	2	3	4	5
FRR23	Our company's diversification enhances financial resilience.	1	2	3	4	5
FRR24	Our business continuously monitors and optimizes its cost structures.	1	2	3	4	5

Section C: Digital Literacy

Please indicate the extent to which you agree or disagree with the statements below

Key: 5=SA-strongly agree; 4=A-agree; 3=NS- not sure; 2=D-disagree; and 1=SD-strongly disagree

Code	Information literacy	SD	D	NS	A	SA
DLI1	Updating sales information using digital media	1	2	3	4	5
DLI2	Able to determine information accuracy in online media	1	2	3	4	5
DLI3	I am confident with my search and evaluation skills in regards to obtaining information from the Web.	1	2	3	4	5
DLI4	I am familiar with issues related to web-based activities	1	2	3	4	5
DLI5	I frequently obtain help with tasks from my friends over the Internet (e.g. through Facebook, Skype, and Blogs).	1	2	3	4	5

Code	Media literacy	SD	D	NS	A	SA
DLM6	Utilizing online media in business	1	2	3	4	5
DLM67	Gain growth opportunities from digital media	1	2	3	4	5
DLM68	The organization uses digital tech to collaborate	1	2	3	4	5
Code	Technological literacy	SD	D	NS	A	SA
DLT69	I know how to solve our business technical (ICT-related) problems.	1	2	3	4	5
DLT10	I can learn new digital technologies easily.	1	2	3	4	5
DLT11	I keep up with new important digital technologies.	1	2	3	4	5
DLT12	I know about a lot of different digital technologies.	1	2	3	4	5
DLT13	I do not have good digital technology skills.	1	2	3	4	5
DLT14	Digital technology enables me to collaborate better with my peers on project work and other learning activities.	1	2	3	4	5
DLT15	Our business prioritizes employees who are technology-competent	1	2	3	4	5

Section D: Business Growth

Please indicate the extent to which you agree or disagree with the statements below

Key: 5=SA-strongly agree; 4=A-agree; 3=NS- not sure; 2=D-disagree; and 1=SD-strongly disagree

Code	Revenue growth	SD	D	NS	A	SA
BGR1	Our business is rarely disrupted due to cash shortages	1	2	3	4	5
BGR2	Our business always holds cash to easily pay our debtors	1	2	3	4	5
BGR3	Our business has never fallen into a state of bankruptcy	1	2	3	4	5
BGR4	Our business has expanded out of loaned capital	1	2	3	4	5
BGR5	Our business has grown out of ensuring smooth cash planning	1	2	3	4	5
BGR6	Our business has expanded out of proper loan management	1	2	3	4	5
BGR7	Our company has registered declining sales revenue over the years	1	2	3	4	5
BGR8	Our business' profits have consistently increased year on year	1	2	3	4	5
Code	Asset	SD	D	NS	A	SA
BGA9	We have a wide branch network	1	2	3	4	5
BGA10	Our asset base has grown	1	2	3	4	5
BGA11	The revenues of the company have increased	1	2	3	4	5
BGA12	The company's product line has grown	1	2	3	4	5
BGA13	Our products can be easily identified by customers	1	2	3	4	5
Code	Market access	SD	D	NS	A	SA
BGA14	Our customer base has growth	1	2	3	4	5
BGA15	At the company, product demand has increased	1	2	3	4	5
BGA16	Our company is more competitive than before	1	2	3	4	5
BGA	Our company has a higher market value	1	2	3	4	5
Code	Sales growth	SD	D	NS	A	SA
BGS17	Our sales volumes have been growing for the last 3 years	1	2	3	4	5
BGS18	Our sales turnover has grown	1	2	3	4	5
BGS19	Our customer base has increased	1	2	3	4	5
BGS20	The sales volumes of our company have increased	1	2	3	4	5
BGS21	At the company, the sales revenues have increased	1	2	3	4	5
BGS22	At the company, customers' purchasing frequencies have improved	1	2	3	4	5
BGS23	Our company's potential customer base has improved	1	2	3	4	5

Thank you

APPENDIX II
Factor Structure of Financial Resilience

Items	Adaptability	Flexibility	Financial robustness
We easily adjust our operating procedures in case of need	0.841		
Our business maintains sufficient resources to absorb some unexpected change	0.801		
If key people were unavailable, there are always others who could fill their role	0.747		
There is good leadership from within our business if we are struck by a crisis	0.752		
We are known for our ability to use knowledge in novel ways	0.673		
We can make tough decisions quickly	0.721		
Given how others depend on us, the way we plan for the unexpected is appropriate		0.723	
Our business is committed to practicing and testing its emergency plans to ensure they are effective		0.702	
We have a focus on being able to respond to the unexpected		0.711	
We have clearly defined priorities for what is important during and after a crisis		0.762	
We proactively monitor our industry to have an early warning of emerging issues		0.732	
We are flexible in response to changing economic conditions, market dynamics, and regulatory environments.		0.726	
We are open to new strategies and adjusting plans as needed.		0.687	
Our diversified income streams provide a buffer.		0.641	
We implement cost-cutting measures or reallocate resources to more critical areas.		0.632	
We deal with financial shocks well			0.761
Most of our operations are insured against shocks and uncertainties			0.828
Our business can meet its long-term financial obligations.			0.740
Our business has assets that exceed its liabilities.			0.708
Our business has sufficient liquidity to meet short-term obligations and unexpected expenses.			0.843
Our business maintains a healthy level of cash on hand.			0.748
Our business can sustain and grow its operations over the long term.			0.636
Our company's diversification enhances financial resilience.			0.714
Our business continuously monitors and optimizes its cost structures.			0.706
Variance (%)	26.18	15.23	34.22
Cumulative variance (%)	26.18	41.41	75.63

Source: Primary data, 2024

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in 4 iterations.

APPENDIX III

Factor Structure of Digital Literacy

Items	information literacy	media literacy	technological literacy
Updating sales information using digital media	0.845		
Able to determine information accuracy in online media	0.746		
I am confident with my search and evaluation skills in regards to obtaining information from the Web.	0.731		
I am familiar with issues related to web-based activities	0.726		
I frequently obtain help with tasks from my friends over the Internet (e.g. through Facebook, Skype, and Blogs).	0.706		
Utilizing online media in business		0.832	
Gain growth opportunities from digital media		0.741	
The organization uses digital tech to collaborate		0.724	
I know how to solve our business technical (ICT-related) problems.			0.678
I can learn new digital technologies easily.			0.726
I keep up with new important digital technologies.			0.688
I know about a lot of different digital technologies.			0.636
I do not have good digital technology skills.			0.647
Digital technology enables me to collaborate better with my peers on project work and other learning activities.			0.534
Our business prioritizes employees who are technology-competent			0.636
Variance (%)	22.754	17.121	13.234
Cumulative variance (%)	22.754	39.875	53.109

Source: Primary data, 2024

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in 4 iterations.

APPENDIX IV

Table 4.5: Factor Structure of Business Growth

Items	revenue growth	assets	market access	sales growth
Our business is rarely disrupted due to cash shortages	0.841			
Our business always holds cash to easily pay our debtors	0.801			
Our business has never fallen into a state of bankruptcy	0.747			
Our business has expanded out of loaned capital	0.752			
Our business has grown out of ensuring smooth cash planning	0.745			
Our business has expanded out of proper loan management	0.718			
Our company has registered declining sales revenue over the years	0.793			
Our business' profits have consistently increased year on year	0.783			
We have a wide branch network		0.812		
Our asset base has grown		0.731		
The revenues of the company have increased		0.742		
The company's product line has grown		0.672		
Our products can be easily identified by customers		0.736		
Our customer base has growth			0.761	
At the company, product demand has increased			0.688	
Our company is more competitive than before			0.740	
Our company has a higher market value			0.708	
Our sales volumes have been growing for the last 3 years				0.743
Our sales turnover has grown				0.648
Our customer base has increased				0.636
The sales volumes of our company have increased				0.620
At the company, the sales revenues have increased				0.745
At the company, customers' purchasing frequencies have improved				0.763
Our company's potential customer base has improved				0.772
Variance (%)	27.361	13.412	18.631	20.456
Cumulative variance (%)	27.361	40.773	59.404	79.86

Source: Primary data, 2024

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in 4 iterations.

APPENDIX V

Leah KATASI

FINANCIAL RESILIENCE, DIGITAL LITERACY AND BUSINESS GROWTH OF WOMEN- OWNED ENTERPRISES IN WAKISO DI...

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