



**STAKE HOLDER PARTICIPATION, COMMITMENT AND SME PERFORMANCE
IN KAMPALA DISTRICT, UGANDA**

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

PLAN A

JULY, 2025

DECLARATION

To the best of my knowledge, this dissertation is entirely my creation and has not been published or submitted for any honor or review in any university or institution of higher education.

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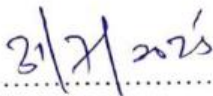
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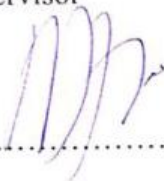
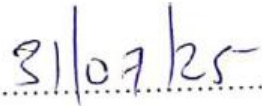
APPROVAL

We hereby certify that this dissertation was written under supervision and ready to be submitted to Makerere University Business School with the endorsement of;

Signature.......... Date:..........

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Academic Supervisor

Signature.......... Date:..........

DEDICATION

This dissertation is dedicated to my loving parents and my brother Simon, whose unwavering support and encouragement have been the foundation of all my endeavors. Your belief in me has been my greatest strength.

I would also like to appreciate my dear friends and classmates who have inspired and guided me with their wisdom and knowledge.

ACKNOWLEDGEMENT

This research project would not have been possible without the guidance, support, and encouragement of many individuals and organizations.

First and foremost, I would like to express my deepest gratitude to my academic supervisors whose expertise, patience, and invaluable feedback and encouragement have been instrumental throughout the research journey and have significantly enhanced the quality of this work.

A special thanks goes to my family and friends for their endless love, unwavering support, patience, and encouragement. Your belief in me kept me motivated during challenging times.

To everyone who has played a role in making this research possible, I am sincerely thankful.

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ABSTRACT

This study examined the relationship between stakeholder participation, stakeholder commitment, and the performance of Small and Medium Enterprises (SMEs) in Kampala District, Uganda. SMEs play a crucial role in Uganda's economy by contributing significantly to employment and GDP. However, many face persistent performance challenges, particularly in profitability, growth, and sales. Guided by Stakeholder Theory (Freeman, 1984), the study adopted a cross-sectional research design and relied on a structured, self-administered questionnaire to collect primary data from 379 SMEs selected through stratified and purposive sampling techniques. Data analysis was conducted using SPSS Version 20, employing descriptive, correlation, and regression techniques. The results revealed that both stakeholder participation and commitment significantly influence SME performance, with stakeholder commitment showing a stronger predictive effect. The combined model explained 28.1% of the variance in performance outcomes. The study recommends that SME managers actively engage stakeholders in decision-making and cultivate affective, normative, and continuance commitment to enhance trust, loyalty, and performance. Furthermore, government agencies such as the Ministry of Trade, Industry and Cooperatives and the Uganda Investment Authority (UIA), as well as organizations like Enterprise Uganda and the Private Sector Foundation Uganda (PSFU), are urged to support stakeholder-inclusive governance through policy incentives and targeted capacity building. The findings contribute to both academic and policy discussions by addressing empirical and theoretical gaps, offering practical strategies for enhancing SME sustainability in Uganda.

Abbreviations

SMEs	Small and Medium-sized Enterprises
UIA	Uganda Investment Authority
GDP	Gross Domestic Product
MTIC	Ministry of Trade, Industry and Cooperatives
MUBS	Makerere University Business School
EPRC	Economic Policy Research Centre

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter of the study provides the background to the study, a statement of the problem, the objectives of the study, and the research questions of the study. It also highlights the significance of the study and conceptual framework.

1.1 Background of the Study

Small and medium-sized enterprises (SMEs) play a critical role in driving economic growth, employment, and development globally. According to the World Bank (2022), SMEs constitute approximately 90% of all businesses worldwide and generate about two-thirds of all employment opportunities, significantly contributing to gross domestic product (GDP). This contribution is evident in both advanced and emerging economies, where SMEs act as engines of innovation and economic diversification (Amoah et al., 2022). For example, in Europe, about 25 million SMEs sustain around 50% of employment and contribute significantly to GDP, demonstrating strong performance and sustainability (Pulka, 2022). Similar positive performance trends have been reported in countries such as Britain (Bayraktar, 2019), Canada (Lamb et al., 2022), and Thailand (Larprojpai boon, 2017). Within Africa, successful SME performance has been observed in Nigeria (Gajere, 2023) and Tanzania (Mpasa, 2016), indicating the vital role SMEs play across diverse economic contexts.

In Uganda, SMEs represent a substantial part of the economy, providing employment to approximately 2.5 million people and contributing about 18% to the national GDP (GoU, 2015). However, despite government initiatives such as Emyoga, Entandikwa, Operation Wealth Creation, and Bon nabagaggawale aimed at supporting SME growth (Opon do, 2023), many

Ugandan SMEs face serious performance challenges. Reports indicate that the majority experience low sales, profitability, and growth rates, leading to high failure rates, about 90% of SMEs do not survive beyond their first year, and more than 40% fail before their fifth anniversary (Sejjaaka et al., 2015; Ngoma et al., 2017). This poor performance has significant economic costs, including increased unemployment, reduced tax revenue, and slower economic development. The Economic Policy Research Centre (EPRC, 2021) reported that SMEs in Uganda have suffered an average 68% decline in sales revenue and a 71% reduction in profitability, severely impacting sectors such as hospitality, education, and small enterprises. These challenges underscore the urgent need to investigate factors influencing SME performance in Uganda. Performance of SMEs is often measured using financial indicators such as Business growth, profitability, and sales growth. Business Growth refers to the expansion of the business in terms of assets, market reach, and workforce size (Garcia, 2023). Profitability reflects the ability to generate income relative to costs, indicating financial health and operational efficiency (Okeke, 2024). Sales growth measures the increase in sales revenue over time, serving as a key indicator of market demand and competitive positioning (Cesinger, 2018). While these financial measures are critical, non-financial factors such as stakeholder participation and commitment have increasingly been recognized as vital drivers of SME success.

Stakeholder participation involves the active engagement of key parties—including owners, managers, employees, customers, suppliers, and the community in decision-making, consultation, and operational roles. This participation fosters ownership, trust, and collaboration, which can enhance strategic alignment and organizational performance. Stakeholder commitment, on the other hand, reflects the emotional, normative, and continuance dedication of these stakeholders toward the enterprise's goals, influencing loyalty, resource support, and sustained engagement

(Namiyingo et al., 2016). Despite the recognized importance of these concepts, there is a notable gap in empirical studies examining how stakeholder participation and commitment jointly affect SME performance in Kampala.

This study is grounded in Stakeholder Theory (Freeman, 1984), which highlights the value businesses create for all stakeholders through participation and commitment, fostering legitimacy and long-term success. While widely applied elsewhere, this theory remains underexplored in Uganda's SME sector, leaving a gap in understanding how stakeholder dynamics affect performance. This study aims to fill that gap by examining the relationship between stakeholder participation, commitment, and performance of SMEs in Kampala, providing insights to guide policy and enhance SME sustainability and growth.

1.2 Problem Statement

Small and medium-sized enterprises (SMEs) are vital to Uganda's economy, employing about 2.5 million people and contributing approximately 18% to GDP (GoU, 2015; Ajide & Soyemi, 2022). However, SMEs face significant performance challenges, including a reported 68% average decline in sales revenue and a 71% reduction in profitability affecting 90% of enterprises, according to the Economic Policy Research Centre (EPRC, 2021). Moreover, nearly 90% of SMEs fail within their first year, with over 40% not surviving beyond five years (Sejjaaka et al., 2015). These challenges have been linked to limited stakeholder commitment and participation, yet empirical studies examining how these factors affect SME performance in Uganda remain scarce. Theoretical frameworks such as Stakeholder Theory (Freeman, 1984) emphasize the importance of stakeholder engagement for organizational success, but this has not been sufficiently explored quantitatively within Ugandan SMEs. Methodologically, much of the existing research relies on qualitative or case studies, leaving a gap for comprehensive quantitative analysis. This study seeks

to fill these empirical, theoretical, and methodological gaps by investigating the relationship between stakeholder commitment, stakeholder participation, and SME performance in Kampala, aiming to inform strategies that can enhance SME sustainability, reduce failure rates, and contribute to economic growth.

1.3 Purpose of the study

The purpose of the study was to examine the relationship between stakeholder participation, commitment and Performance of SMEs in Kampala district.

1.4 Research objectives

- (i) To examine the relationship between stakeholder participation and SME performance.
- (ii) To examine the relationship between stakeholder commitment and SME performance.
- (iii) To examine the relationship between stakeholder commitment, participation and SMEs Performance.

1.5 Research Questions

- (i) What is the relationship between stakeholder participation and SME performance?
- (ii) What is the relationship between stakeholder commitment and SME performance?
- (iii)What is the relationship between stakeholder commitment, participation and SMEs Performance?

1.6 Scope of the Study

The study included the geographical, content and time scope.

1.6.1 Content Scope

The study concentrated on examining the relationship between stakeholder participation, commitment, and SME performance in Kampala, Uganda.

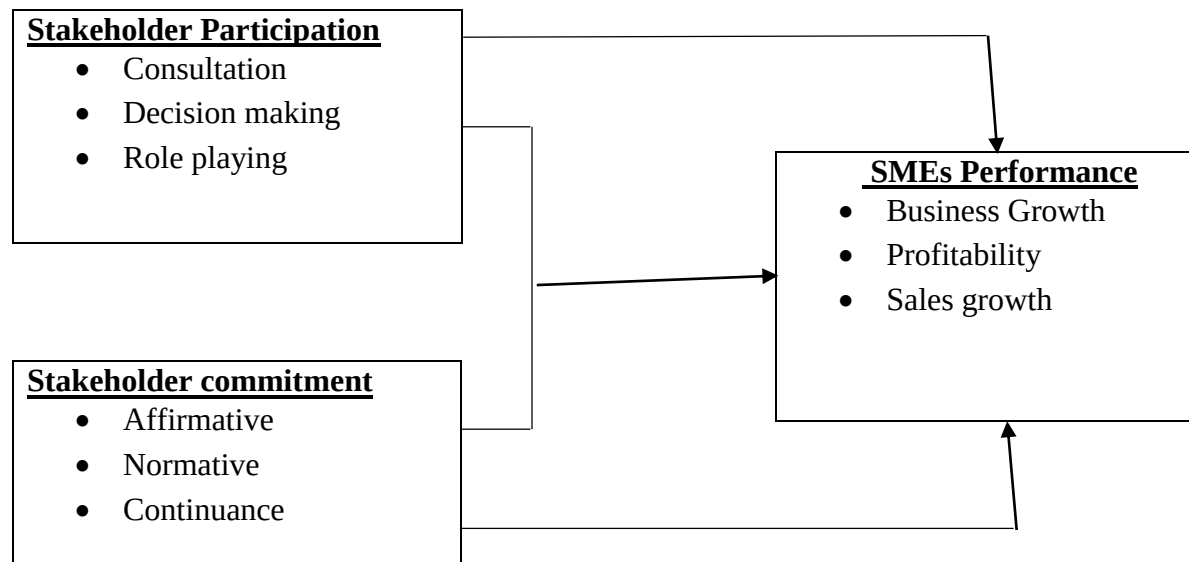
1.6.2 Geographical Scope

The research focused on Small and Medium Enterprises (SMEs) located in Kampala District, Uganda. Kampala, as the capital city and economic hub, hosts a large concentration of SMEs across various sectors such as trade, manufacturing, agriculture, and education. The choice of Kampala was based on its strategic importance in national economic activities, accessibility to a diverse SME population, and the presence of support institutions such as the Uganda Investment Authority (UIA), Uganda Revenue Authority (URA), and the Ministry of Trade, Industry, and Cooperatives (MTIC). Additionally, Kampala has a well-established infrastructure, which facilitated data collection and ensured broader representation of SME practices and stakeholder dynamics. The district's high SME density and central role in economic development make it a suitable and relevant context for examining the relationship between stakeholder participation, commitment, and SME performance.

1.6.3 Time Scope

The study's timeline was set to commence in November 2023 with the formulation and approval of the research proposal by the supervisor. Following this, rigorous collection of primary data, analysis, and dissertation compilation was ensured. The study projected was concluded within the current year 2025, ensuring thorough completion of all research activities within this timeframe.

1.7 Conceptual Framework



Adopted and modified from: Namiyingo, S., Bagire, V., Nangoli, S., Kabogo, N. M., Nalweyiso, G., & Namono, R. (2016). Turyomunsi, 2021; Mpasa, 2016; Katisme, 2017).

The conceptual framework centers on exploring the relationship between stakeholder participation, stakeholder commitment and performance of SMEs. In this framework, stakeholder participation and stakeholder commitment serve as the independent variable, while SMEs' performance stands as the dependent variable. The conceptual framework shows that there is a relationship between stakeholder participation, stakeholder commitment and performance of SMEs.

1.8 Significance of the study

For an MBA student at Makerere University Business School (MUBS), this study provides significant academic value as it contributes to the partial fulfilment of the MBA degree by investigating real-world challenges affecting SME performance in Central Uganda. The research enhances the student's understanding of stakeholder dynamics, legitimacy issues, and their influence on enterprise success, equipping the scholar with both theoretical and practical knowledge relevant to enterprise development.

To policymakers, especially within key institutions like the Uganda Investment Authority (UIA), the Ministry of Trade, Industry, and Cooperatives (MTIC), and SME associations such as the Uganda Small Scale Industries Association (USSIA), the findings offer empirical evidence to guide the formulation of more targeted policies and interventions. By understanding how stakeholder participation and commitment influence SME performance, these entities can develop more supportive frameworks to enhance SME sustainability, competitiveness, and job creation.

For SMEs themselves, the study is vital in identifying internal factors that influence performance, especially concerning stakeholder engagement. The insights generated can help business owners and managers in Uganda re-evaluate their practices, foster stronger stakeholder relationships, and implement strategies that improve profitability, growth, and long-term viability.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter delves into a comprehensive review of literature pertinent to the study objectives, drawing insights from diverse sources such as textbooks, scholarly articles, financial reports, newspapers, magazines, and prior research dissertations. The review is structured to coincide with the research objectives, aiming to illuminate the intricate relationship between SME practices and performance in Uganda. It explores various dimensions of SME operations, encompassing stakeholder participation, commitment, and essential performance metrics like growth and profitability.

2.1 Theoretical review

The guiding theory that was used to explain SMEs performance in Central Uganda which is the stakeholder theory.

2.1.1 Stakeholder Theory

Stakeholder Theory, articulated by R. Edward Freeman in 1984, presents a perspective that emphasizes the interconnected relationships between businesses and various entities invested in their operations, including customers, suppliers, employees, investors, communities, and others. This theory fundamentally contends that companies should prioritize creating value for all stakeholders, not just shareholders. It underscores the idea that a business' success isn't solely measured by profitability but also by the collective value it generates for all involved parties.

In the context of our study, Stakeholder Theory holds immense relevance. SMEs, much like larger corporations, operate within a network of stakeholders, including employees, suppliers, customers, and the community. Understanding and integrating Stakeholder views into SME operations can

facilitate a more comprehensive approach to management. By recognizing the diverse interests and needs of stakeholders, SMEs can align their practices in a way that doesn't just benefit shareholders but also enhances value creation for employees, suppliers, customers, and the broader community. This alignment contributes to improved relationships, sustainable growth, and overall enhanced performance of SMEs in Uganda. Integrating Stakeholder Theory into the management approach of SMEs can foster a more holistic and ethical business model, ensuring that the interests of all stakeholders are considered and catered to, thereby contributing to the sustainable success of these enterprises.

2.2 Small and Medium-Sized Enterprises (SMEs)

Small and medium-sized enterprises (SMEs) typically have a staff count of fewer than 250 employees and maintain yearly sales that do not surpass EUR 50 million. SMEs are categorized into micro-enterprises, having less than 10 employees and a yearly sales and/or statement of financial position total lower than EUR 2 million, and small enterprises, employing 10 to 49 individuals with yearly sales and/or statement of financial position total not exceeding EUR 10 million. This criterion is assessed based on the amount of workers in the manufacturing sector (Gómez, 2023). According to Aga et al (2015) suggest that SMEs are pivotal for economic growth and serve as significant employment sources. Various studies underline their vital role in enhancing household income by providing job opportunities (Kamunge, 2014; Palmarudi&Agussalim, 2013). Nevertheless, Turyakira and Mbidde (2015) argue that insufficient exploration of SME networking adversely affects competitiveness due to limited resources. Rahman (2015) highlights the benefits of SME networking, citing cost-sharing in employee training, reductions in consultancy and research expenses, and enhanced support in production, export, human resources, and finances. Although Breda and Fahy (2011) don't establish direct

causation between networking, resource integration, and international performance, their research indicates a favorable relationship between a firm's human capital connections and international success. In Sub-Saharan Africa, particularly Uganda, many SMEs face substantial challenges that hinder their long-term viability. Kazimoto (2014) recommends government support for SMEs to bolster national economies, ultimately benefiting citizens. This backing is crucial given the high rates of business failures and the potential economic opportunities tied to stronger national economies.

2.3 SMEs Performance

Business performance signifies the degree to which a business accomplishes its intended objectives in contrast to the results attained in the end of a business cycle (Yıldız et al., 2014). Abanis and Arthur (2013) found that the performance of SMEs in Uganda was significantly hindered due to insufficient funding, notably marked by high financial costs. Moreover, limited rivalry between official banking institutions in offering financial services has restricted SMEs' access to financing. Hence, enhancing rivalry and broadening market options significantly contributes to advancing financial inclusivity and bolstering the productivity of SMEs within the nation. This evaluation often depends on how successful firms are in meeting their goals. Numerous performance measurement systems exist, incorporating various financial and non-financial elements (Maisel and Cokins et al 2013). Financial success, for instance, can be gauged through measures like return on profits, investment, turnover, or customer base (Wood, 2006). Traditionally, performance evaluation has been primarily financially oriented, focusing on parameters such as efficiency, growth, and profit. However, this approach is considered somewhat subjective due to its short-term nature and alignment with strategy (Reijonen and Komppula, 2007). Non-financial indicators are regarded as better predictors of future economic performance

compared to accounting measures and play a vital role in assessing and motivating managerial performance (Reijonen and Komppula, 2007; Al-Ansari et al., 2013). Evaluating firm performance can be done from various perspectives, whether from a customer's or shareholder's viewpoint (RuizCarrillo and Fernández-Ortiz, 2005)

2.3.1 Profitability

Every business aspires to maximize profits, yet maintaining sufficient liquidity is crucial to fund the day-to-day operations of the firm. Finance managers face the pivotal challenge of harmonizing conflicting objectives ensuring ample liquidity while striving for enhanced profitability (Akinlo, 2012). Pursuing the overarching goal of maximizing profits might inadvertently foster inadequate liquidity, potentially resulting in bankruptcy. Profitability refers to a business's capacity to make a profit (Cowling and Waterson, 2012). It's what remains after covering all expenses linked directly to generating revenue, like making a product, and other costs tied to running the business. Making a profit is the main aim of any business, crucial for its long-term survival. So, evaluating past, current, and future profitability is crucial for understanding how well sales are performing (Anderson, 2011). According to Ang (2012), whether you're tracking past profitability or forecasting future profit, measuring profitability is the most critical gauge of business success. A business that isn't profitable won't survive. On the flip side, a highly profitable business can reward its owners with significant returns on their investment. Boosting profitability is a key focus for business managers. They continually seek ways to enhance it, often analysing potential changes using tools like pro forma income statements or partial budgets. Partial budgeting helps assess how a small change could affect profitability before actually implementing it (Ang, 2012). Profits are crucial for survival in a competitive setting, but SME management might decide against growth. While long-term profitability relies on the balance between costs and revenue, it alone doesn't

guarantee growth. Barriers might keep revenue from growing, while inventive management could lower costs (Arnold-McCulloch and Lewis, 2013). A marginally profitable company may struggle to secure funds for expansion, while a lucrative business might deem the risks associated with growth unworthy of pursuit. In certain SMEs focused on a specific lifestyle, the owner might prefer less profit now for more profit later. Strategies like dynamic pricing or phased investment could initially reduce profits but yield higher returns in the future. An SME manager's time preference often shapes this trade-off between current and future profits (Arnold-McCulloch and Lewis, 2013).

2.3.2 Sales Growth

Sales growth refers to the escalation in a company's revenue in relation to its past achievements in a given quarter (Scott, et al., 2012). This comparison can be made year-over-year or sequentially, offering analysts, investors, and stakeholders insights into an SME's increasing sales trajectory. Simply reviewing the revenue from the current period in an SME's quarterly or annual financial reports doesn't suffice. Investors seek evidence of continual growth or improvement. Hence, analysing financials in comparison to previous quarters provides a clearer indication of an SME's performance (Soldofsky, 2014).The metric of Sales Growth is instrumental in assessing the pace of a company's business expansion. It furnishes analysts, investors, and stakeholders with a measure of the extent to which a company's sales are growing. Although sales growth may vary from one financial period to another, investors scrutinize revenue trends to gauge the company's overall growth across specified timeframes. Sustained revenue growth typically correlates with increases in net income, assuming other variables remain constant (Soldofsky, 2014).

2.3.3 Business Growth

The growth factors influencing small businesses can be categorized into various dimensions: individual, organizational, and environmental (Zhou and Wit, 2002). These encompass the organizational resources, company competence, organizational culture, structural elements, and the proficiency of persons engaged in the entrepreneurial process (Li, 2009). The traits and approaches adopted by owners or managers play a pivotal role in determining SMEs' performance, notably in terms of entrepreneurial competence. These insights underscore individual factors' significance in shaping average-sized businesses' growth trajectory. A growing business expands in different ways, but there's no single way to measure this growth. Instead, various things like sales, profits, the number of employees or customers, and how valuable the company is, show if a business is growing (Gertler and Kiyotaki, 2015). Sometimes, a company may be able to expand in certain areas but not all. Sales might rise in the absence of new clients if current ones make larger purchases. Also, one area can grow while another doesn't; like if selling more happens because the product's price dropped, the overall income might still decrease. This makes it tricky to define growth. People aiming to expand their enterprise should focus on their objectives to pick the important sign of growth. For some new businesses, it might mean getting lots of customers even if they don't make much profit at first. But other businesses might benefit more from slowly making more money to cover their costs (Pietrzak et al., 2019).

2.4 Stakeholder Participation

Stakeholder participation involves engaging stakeholders in various organizational activities, such as decision-making, planning, and implementation. Effective participation can enhance SME performance by improving decision quality, fostering innovation, and optimizing resource utilization (Miller et al., 2020). Analysing stakeholder participation, Kessler (2004) found that

involving stakeholders enhances legitimacy. When people are consulted and see their input being considered, it boosts their perception of fairness, leading to better compliance. Even if the outcomes don't align with their personal interests, individuals who believe the procedure to be valid have a greater likelihood to follow the outcomes.

2.4.1 Consultation

Stakeholder consultation involves fostering enduring, mutually beneficial relationships that enable the identification of current and future trends and challenges affecting an organization. Actively listening to stakeholder feedback provides valuable insights for enhancing project design, outcomes, and risk management. It also lays the groundwork for potential future collaborations and consortiums (Morgan, 2015).

According to Kessler (2004), a review of literature on stakeholder engagement suggests that consulting stakeholders can enhance the soundness, as people who perceive that their input has been considered in decision-making processes are more likely to comply with the outcomes.

2.4.2 Decision Making

Edelenbos and Klijn (2005) researched how Dutch municipal councils manage the participation of stakeholders in decision-making. Their study's conclusions showed that including a wider range of parties involved in the procedure for making choices led to the generation of diverse ideas hence possibly improved process content.

2.4.3 Role Playing

Stakeholders play a significant role in monitoring progress towards established goals, aiding in the selection and utilization of indicators to assess changes and evaluate goal achievement (Richter, 2007). Tracking development allows for extracting relevant information from past and ongoing endeavors, serving as the foundation for refining programs, reorienting strategies, and making

preparations in advance (Kusek & Rist, 2004). A study was conducted by Tooley, Hooks, and Basnan (2010) to determine how Malaysian local governments disclose their results in order to satisfy stakeholder needs for tracking goal advancement. The study's T-test outcomes revealed that stakeholders prioritized what the local government has accomplished or aimed to accomplish with allocated resources (both financial and non-financial performance), placing reduced emphasis on resource management (both financial and non-financial position). This underscores their role in overseeing project advancement.

2.5 Stakeholder Commitment

Stakeholder commitment is defined as "the degree of devotion and engagement exhibited by stakeholders toward a specific project, decision, or entity" (Moneva et al., 2007). It involves "their readiness to offer assistance, endorse, and engage actively in the endeavor" (Moneva et al., 2007). This commitment is crucial for ensuring "the prosperity and longevity of any undertaking" (Moneva et al., 2007). Additionally, it guarantees that stakeholders are aligned with the goals and objectives and are willing to dedicate their time, resources, and energies.

Committed stakeholders are more likely to invest their time, resources, and expertise, which can significantly enhance the effectiveness of their participation. For instance, when stakeholders are committed, they are more inclined to support strategic initiatives, provide valuable feedback, and help overcome challenges (Sam et al., 2017). This deep involvement and support leads to more successful implementation of strategies and improves overall performance of the SMEs.

2.5.1 Affirmative Commitment

Affirmative commitment can be defined as a strong, positive commitment by individuals or organizations toward a particular goal, value, or set of principles, often characterized by proactive actions to uphold and promote these commitments. (Nazneen & Miralam, 2017).

2.5.2 Normative Commitment

Normative commitment reflects an individual's sense of moral obligation to remain with the organization. It often involves a sense of duty and loyalty to the organization (Nazneen & Miralam, 2017).

2.5.3 Continuance Commitment

Continuance commitment is based on an individual's recognition of the costs associated with leaving the organization. It reflects the perceived losses or disadvantages of departing from the organization (Nazneen & Miralam, 2017).

2.6 Relationship between Stakeholder Participation and SME Performance

Several studies have highlighted the positive influence of stakeholder participation on the performance of small- and medium-sized enterprises (SMEs), although the extent and mechanisms of this impact vary across different contexts. Ekezie and Onuoha (2023) found a significant relationship between stakeholder participation and SME effectiveness in Port Harcourt, Rivers State, concluding that active stakeholder engagement enhances operational success. Similarly, Musyoka et al. (2023) observed a significant effect of stakeholder participation in planning on the performance of Kenyan alcohol manufacturing firms, with data indicating a strong impact on organizational performance. Supporting these findings, George et al. (2019) demonstrated that incorporating stakeholder input in planning improved operational effectiveness in the United States. Further reinforcing this perspective, Aldehayyat and Twaissi (2021) showed that stakeholder engagement positively impacts corporate governance and productivity in Jordan, while Skokan et al. (2013) found that stakeholder planning significantly enhances SME performance in the Slovak Republic. These studies collectively underscore that engaging

stakeholders leads to improved relationships, better decision-making, increased innovation, and enhanced overall SME performance.

On the other hand, other research emphasizes the importance of stakeholder participation in enhancing social capital and knowledge generation. Khan, Majid, Yasir, et al. (2020) argue that enhanced stakeholder engagement fosters collaborative knowledge generation, which strengthens SMEs and positively impacts their performance. Hameed et al. (2021) support this by noting that improved stakeholder engagement leads to better-quality knowledge and stronger organizational performance. Sam et al. (2017) emphasize the crucial role of responsive communication and feedback mechanisms in Nigeria, arguing that effective stakeholder engagement contributes significantly to smooth operations and firm performance. Al-Haddad and Al-Abed (2021) and Lloyd and Aho (2020) further assert that stakeholder engagement throughout strategizing and response processes is vital for organizational growth and performance.

However, there are divergent perspectives on the impact of stakeholder participation, as the extent and nature of these benefits can vary based on context. While many studies affirm the benefits, the specific mechanisms and outcomes may differ. For example, Kenyoro (2015) and Nthuli (2020) demonstrate positive impacts of stakeholder involvement on company productivity and performance in Kenya, but differences in industry context, stakeholder dynamics, and organizational practices may influence the effectiveness of stakeholder engagement strategies.

Dorhetso et al. (2023) contribute to this on-going debate by modelling an assessment of the driving factors for effective stakeholder participation and SME performance, emphasizing a growing research area that demands further studies to reinforce its position in existing literature. Their study reveals that financial slack, stakeholder integration, and social capital are the top-ranked factors

for effective stakeholder participation and SME performance. Additionally, Donkor and Kwarteng (2018) examine the interacting effect of market dynamism and stakeholder participation on SME performance in Ghana, finding that consistent stakeholder participation significantly enhances SME performance. Although market dynamism shows a positive relationship with firm performance, its effect is not statistically significant. The study concludes that market dynamism impacts SME performance only when stakeholder participation is present.

Finally, Decker (2018) investigates the impact of German savings banks as key stakeholders on the turnaround performance of SMEs. The study finds that structural and continuous support from these banks significantly enhances turnaround performance, particularly in the initial stages. However, this support becomes less impactful during the recovery phase. This research contributes to understanding the motivations behind stakeholder involvement and how SMEs can effectively engage stakeholders to support turnaround efforts.

2.7 Relationship between Stakeholder Commitment and SMEs Performance

The debate surrounding the influence of stakeholder commitment on SME performance reveals both consensus and contention among scholars.

A significant body of research supports the view that stakeholder commitment positively affects SME performance. Bagire et al. (2016) emphasize that stakeholder commitment is a key mediator for SME resilience and long-term success, suggesting that strong stakeholder relationships enhance operational efficiency and competitive advantage.

Empirical evidence from Namiyingo et al. (2016) supports these claims by demonstrating a significant positive relationship between stakeholder participation and stakeholder commitment in health projects. Their study, involving 86 projects, found that participation dimensions such as

consultation, decision-making, and role participation positively influenced stakeholder commitment, thereby contributing to project effectiveness. Similarly, Journeault et al (2021) investigated the impact of stakeholder commitment on SMEs' performance in adopting sustainability practices. Their study identified five critical roles that stakeholders play: trainer, analyst, coordinator, specialist, and financial provider. These roles, performed by various local stakeholders, help overcome barriers to sustainability adoption, enhancing SMEs' performance. The findings indicate that improving stakeholder commitment through these roles is crucial for boosting SMEs' sustainability performance, and suggest that governments should foster stakeholder networks capable of performing these roles to support SME sustainability (Journeault et al, 2021).

On the other hand, some studies reveal complexities in the relationship between stakeholder commitment and SME performance. Yuen et al. (2017) highlight that while stakeholder commitment can influence SME performance, its impact is complex and context-dependent. The ability of stakeholders to reward or penalize businesses introduces an additional layer of intricacy, affecting how commitment translates into performance outcomes. Jooste (2010) further illustrates this complexity by showing that although committed stakeholders can enhance productivity and loyalty, the effectiveness of their commitment varies based on how well their expectations are managed and aligned with business goals. Adding another dimension, Hubahib (2024) explores stakeholder commitment in educational settings, finding that while job satisfaction significantly impacts commitment, personal factors like competence and work ethics do not. This suggests that the influence of stakeholder commitment on performance may be moderated by factors such as job satisfaction, rather than being uniformly positive.

2.8 Relationship between Stakeholder Commitment, Stakeholder Participation, and SMEs Performance

The relationship between stakeholder commitment, participation, and SME performance presents a complex interplay with both supportive and contentious perspectives. Understanding this dynamic requires examining how commitment and participation influence SME performance, and where potential contradictions or limitations arise. Numerous studies underscore the positive impact of stakeholder commitment on the effectiveness of stakeholder participation and SME performance. Research by Ekezie and Onuoha (2023) and Musyoka et al. (2023) demonstrates that active stakeholder engagement significantly boosts SME performance, as seen in Port Harcourt and Kenyan alcohol manufacturing firms. George et al. (2019) and Aldehayyat and Twaissi (2021) further support this by showing that stakeholder involvement in planning enhances organizational effectiveness and productivity. These findings are reinforced by Skokan et al. (2013), who note that stakeholder planning improves SME performance in Slovakia.

Similarly, Khan et al. (2020) and Hameed et al. (2021) reveal that robust stakeholder engagement fosters collaborative knowledge generation, leading to better organizational performance. In Nigeria, Sam et al. (2017) highlight that responsive communication and feedback mechanisms are critical for SME operations and performance. Al-Haddad and Al-Abed (2021) and Lloyd and Aho (2020) also argue that ongoing stakeholder engagement is crucial for organizational growth and success. These studies collectively suggest that stakeholder commitment and participation are essential for enhancing SME performance by improving decision-making, innovation, and resource utilization (Miller et al., 2020; Sam et al., 2017).

Despite these positive findings, some research highlights the limitations and complexities of the relationship between stakeholder commitment, participation, and SME performance. Kenyoru (2015) and Nthuli (2020) show that while stakeholder participation can positively affect productivity and performance, the extent of these benefits is context-dependent, influenced by industry and organizational practices. Dorhetso et al. (2023) suggest that financial slack, stakeholder integration, and social capital are crucial for effective stakeholder participation, but also emphasize the need for further research to strengthen theoretical understanding. Donkor and Kwarteng (2018) find that while market dynamism and stakeholder participation have a positive relationship with SME performance, market dynamism alone does not significantly impact performance without the presence of stakeholder participation. This indicates that stakeholder participation may moderate the effects of market dynamism on SME performance.

Moreover, Decker (2018) explores how support from German savings banks influences SME turnaround performance, noting that while such support is vital initially, its impact diminishes during recovery. This suggests that the benefits of stakeholder commitment and participation might vary across different phases of SME development, potentially limiting their effectiveness over time. Integrating these perspectives highlights how stakeholder commitment can amplify the benefits of stakeholder participation. Effective stakeholder participation in decision-making and strategic input can enhance SME performance by improving decision quality and innovation (Miller et al., 2020). However, without stakeholder commitment, these benefits may be limited. Al-Haddad and Al-Abed (2021) argue that commitment ensures stakeholders are genuinely invested in organizational goals, thus translating participation into measurable performance improvements. Committed stakeholders are more likely to support strategic initiatives, provide valuable feedback, and help overcome challenges, leading to better performance outcomes (Sam

et al., 2017). This underscores that stakeholder commitment not only supports participation but also magnifies its impact on SME performance by ensuring sustained engagement and alignment with organizational objectives.

2.8.1 Knowledge Gap

The existing body of literature on SME practices and performance has explored various facets, yet there's a noticeable gap when it comes to the influence of Stakeholder Participation in aspects like Consultation, Decision Making, and Role Playing on SMEs in Uganda. Moreover, studies focused on Stakeholder Commitment have overlooked essential constructs like Affirmative, Normative, and Continuance, particularly within the context of SMEs in Uganda. This gap underscores the need for further research to comprehensively understand how these specific stakeholder-oriented elements influence SME dynamics in this specific setting.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter described the methodology that was employed by the researcher in the study. It presents the research design, study population, sample size and selection, sampling techniques, data collection methods, data collection instruments, procedure of data collection, reliability and validity of instruments, data analysis and measurement of variables.

3.1 Research Design

This research undertook a cross-sectional design, as it offered a quick and straightforward way to gather information about various variables simultaneously (Sedgwick, 2014). Additionally, a quantitative approach was employed, as it produced objective data that could be effectively communicated through numerical analysis (Sekaran & Bougie, 2016). The research design for this study exclusively adopted a quantitative approach. Quantitative research, which involved the gathering of numerical data and statistical analysis, served as the primary method for exploring the connection between stakeholder commitment and SME productivity in Kampala district. The quantitative nature of the study aimed to provide objective and measurable insights, contributing to a robust understanding of the dynamics between stakeholder commitment and SME performance in Kampala.

3.2 Study Population

The study population comprised all registered Small and Medium Enterprises (SMEs) operating within Kampala District, estimated at 30,000 enterprises (UIA, 2023). These SMEs were drawn from sectors such as trade, manufacturing, agriculture, education, and services. Classification of SMEs followed the Uganda Investment Authority (UIA) criteria, where small enterprises are

defined as those employing between 5 and 49 people with an annual turnover of UGX 10 million to 100 million, while medium enterprises employ between 50 and 100 people with an annual turnover above UGX 100 million but not exceeding UGX 360 million (UIA, 2023). The unit of analysis was the SME entity, and the unit of inquiry comprised SME owners or, where applicable, business managers. In cases where owners were not directly involved in day-to-day operations, data were collected from managers who held relevant decision-making authority and operational knowledge to accurately respond to questions related to stakeholder participation, commitment, and enterprise performance.

3.3 Sample Size

The study targeted a population of 30,000 SMEs in Kampala, as reported by the Uganda Investment Authority (UIA). To determine an appropriate sample size, the study employed the Morgan and Krejcie (1970) table for sample size determination, which provides reliable estimates based on population size and desired confidence levels. For a population of 30,000, the recommended sample size is 379 respondents, ensuring a 95% confidence level and a 5% margin of error. This sample size provides sufficient statistical power to generalize the findings to the wider SME population in Kampala.

3.4 Sampling Technique

The study employed a combination of stratified random sampling and purposive sampling to ensure representativeness and relevance of responses. The SME population of 30,000 in Kampala was first categorized according to the Uganda Investment Authority (UIA, 2023) classification, which defines small enterprises as those employing 5–49 people with an annual turnover of UGX 10 million to 100 million, and medium enterprises as those employing 50–100 people with an annual turnover above UGX 100 million but not exceeding UGX 360 million.

Based on this classification, the population was stratified into four key sectors—trade, agriculture, education, and manufacturing—to reflect the diversity of SME activities. From each sector, a proportionate number of SMEs were selected using simple random sampling: 174 from trade, 103 from agriculture, 67 from education, and 35 from manufacturing, summing up to 379 SMEs.

Purposive sampling was applied within each selected SME to identify respondents who were either owners or senior managers with adequate knowledge of the business operations. This was essential because in medium enterprises, owners may not be directly involved in daily management. Therefore, identifying informed respondents ensured that the data collected accurately reflected stakeholder participation, commitment, and SME performance.

3.5 Sources of Data

This study relied exclusively on primary data, which was collected using a structured self-administered questionnaire. This study relied exclusively on primary data, which was deemed most appropriate for capturing first-hand, context-specific information directly from SME owners and managers in Kampala. The data was collected through a structured self-administered questionnaire, specifically designed to obtain responses on stakeholder participation, stakeholder commitment, and SME performance.

3.6 Data Collection Instrument

3.6.1 Research Questionnaire

A structured, self-administered questionnaire was developed based on validated constructs from prior studies and tailored to the SME context in Kampala. It consisted of closed-ended items anchored on a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree), chosen for its simplicity, ease of analysis, and cost-effectiveness (Bordens & Abbott, 2011). The questionnaire aimed to measure stakeholder participation, stakeholder commitment, and SME performance. To

ensure validity, the instrument was reviewed by three experts in SME and stakeholder research, and the Content Validity Index (CVI) was calculated. The results showed CVI values of 0.81 for stakeholder participation (22 out of 27 items rated relevant), 0.78 for stakeholder commitment (21 out of 27 items), and 0.85 for SME performance (23 out of 27 items), all exceeding the acceptable threshold of 0.70 (Polit & Beck, 2006), indicating strong content validity. A total of 379 questionnaires were distributed by appointment, with a cover letter from Makerere University Business School endorsing the study and requesting participation from the targeted respondents.

3.7 Data Analysis

Upon collection, the questionnaires were screened for completeness and consistency. Data analysis was conducted using SPSS Version 20, correlation analysis to assess relationships between variables, and multiple regression analysis to examine predictive relationships. These statistical tools aligned with the study's quantitative approach and were suitable for the interval-level Likert scale data collected.

3.8 Data Quality Control

3.8.1 Validity

Validity referred to the accuracy and appropriateness of a tool in measuring what it was intended to measure (Sekaran & Bougie, 2016). To ensure validity, the questionnaires were pre-tested with participants not included in the final sample to identify and remove irrelevant items. Feedback from experts and academic supervisors refined the questionnaire. Content validity was assessed using the Content Validity Index (CVI), calculated by dividing the number of relevant items by the total items (Tavakol & Dennick, 2011).

Table: 3.1 Content validity (Content Validity Index (CVI))

Expert	Items Evaluated	Relevant Items	CVI
Participation	27	22	0.81
Commitment	27	21	0.78
Performance of SMEs	27	23	0.85

Source: Primary Source

The face validity assessment was conducted with input from four experts to ensure the questionnaire's validity. Later content validity was conducted on items of Stakeholder Participation (12 items), Stakeholder Commitment (6 items), and SME Performance (9 items). And as seen in Table 3.8.1 all are above the threshold. A representation that the questionnaire was valid.

3.8.2 Reliability

Reliability pertained to the consistency of results over time and their accuracy in accurately representing the entire population under study (Tashakkori & Teddlie, 2003). Once the results of the research could be duplicated using a comparable methodology, then the research tool exhibited reliability (Aiken, 1980; Cook & Thompson, 2000). The Cronbach Alpha coefficient test was used, and when the reliability coefficient results equaled 0.7 or above, the researcher utilized the instruments. The test for reliability was conducted in a pilot run among SMEs in Kampala.

Table 3.2: Reliability Statistics

Variable	Cronbach's Alpha	Number of Items
Stakeholder Participation	0.727	12
Stakeholder Commitment	0.708	6
SME Performance	0.782	9

Source: Primary Source

The Reliability Statistics table indicates the consistency of the survey instrument in measuring each variable related to stakeholder participation, stakeholder commitment, and SME performance among SMEs in Kampala. Cronbach's Alpha values range from 0.727 to 0.782:

Stakeholder Participation (Cronbach's Alpha = 0.727): Indicates acceptable reliability, suggesting that items measuring stakeholder participation are consistent and above threshold. Stakeholder Commitment (Cronbach's Alpha = 0.708): Meets the threshold of 0.7, indicating acceptable reliability, meaning the items for this variable are reasonably consistent.

SME Performance (Cronbach's Alpha = 0.782): Shows good reliability, exceeding 0.7, suggesting strong internal consistency among items measuring SME performance.

3.9 Measurement of Variables

Stakeholder Participation and Stakeholder Commitment were the independent variables in this study. Stakeholder Participation was measured using three dimensions: consultation, decision-making, and role-playing, as guided by the work of Namiyingo et al. (2016). Similarly, Stakeholder Commitment was assessed through its three core components: affective (emotional attachment), normative (sense of obligation), and continuance (cost-based attachment), also adopted from Namiyingo et al. (2016), who built on the foundational model of organizational commitment by Meyer and Allen (1991). The dependent variable, SME performance, was measured using three indicators: business growth, profitability, and sales growth. The instrument for measuring SME performance was adapted from the framework developed by Kelley and Nakosteen (2005), a classical reference in enterprise performance evaluation. This ensured the use of a well-established and validated measurement tool appropriate for assessing business outcomes in small and medium-sized enterprises.

3.10 Ethical Considerations

The researcher upheld ethical standards by providing respondents with an introduction letter from the MUBS GRC prior to the commencement of data collection, ensuring credibility and trust as well as to serve as a means of identifying the researcher. Measures were implemented to safeguard the anonymity of respondents, fostering a seamless and swift data collection process. Both the researcher and respondents were fully briefed on the ethical guidelines, creating a conducive environment for the research. In prioritizing confidentiality, the researcher refrained from seeking personal information such as names or contact details. Training of research assistants specifically focused on maintaining confidentiality, underscoring the commitment to ethical practices at every stage of the research process.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter presents the analysis of the data on the study variables. The analyses include percentage frequency distribution analysis, correlation analysis and regression analysis. To begin with is the response rate

4.2 Response Rate

In this study, 320 out of the targeted sample size of 379 participants responded, resulting in a response rate of approximately 84.5%. This rate is significantly higher than the typical 25% response rate commonly seen in social science survey research (Sataloff & Vontela, 2021). Such a high response rate enhanced the reliability and representativeness of the data, making the findings robust and dependable for analysis and conclusions.

4.3 Background Information of Respondents

This section presents the demographic and business profile of the study respondents. Understanding these background characteristics is essential for contextualizing the findings related to stakeholder participation, commitment, and SME performance. The key variables assessed include gender, age, education level, industry sector, employment size, annual turnover, legal ownership, and length of business operation. The data provide insights into the composition and operational scale of SMEs in Kampala, which are critical factors influencing management practices and business outcomes. The detailed distribution of these characteristics is summarized in the table below.

Table 4.1: Demographic Characteristics of Respondents

Characteristic	Category	Frequency	Percent (%)	Valid Percent (%)
Gender	Male	180	56.3	56.3
	Female	140	43.8	43.8
Age	18-30 years	58	18.1	18.1
	31-40 years	163	50.9	50.9
	41-45 years	51	15.9	15.9
	46-55 years	30	9.4	9.4
	Above 55 years	18	5.6	5.6
Education Level	Advanced Certificate	55	17.2	17.2
	Higher Diploma	46	14.4	14.4
	Bachelor's Degree	164	51.2	51.2
	Master's Degree	55	17.2	17.2
Industry Sector	Manufacturing & Processing	12	3.8	3.8
	Trade	147	45.9	45.9
	Agriculture	84	26.3	26.3
	Education	64	20	20
	Others	13	4.1	4.1
Employment Size	1-4 employees	183	57.2	57.2
	5-9 employees	94	29.4	29.4
	>10 employees	43	13.4	13.4
Annual Turnover (UGX)	< 5 million	31	9.7	9.7
	5 - 10 million	152	47.5	47.5
	11 - 49 million	96	30	30
	50 - 100 million	41	12.8	12.8
	100 - 360 million	0	0	0
Legal Ownership	Sole Proprietor	195	60.9	60.9
	Partnership	58	18.1	18.1
	Private Limited	67	20.9	20.9

Source: Primary Source

4.4 Background Characteristics of Respondents

The background information of respondents provides valuable insights into the demographic and operational characteristics of SMEs in Kampala. As shown in Table 4.3, the gender distribution

reveals that 56.3% of respondents were male and 43.8% were female, indicating higher male involvement in SME ownership and management. Regarding age, the majority of respondents (50.9%) were aged between 31–40 years, followed by 18.1% aged 18–30 years. This shows that SMEs in Kampala are primarily managed by individuals in their productive and economically active years, which is essential for sustainability and innovation.

In terms of education, 51.2% of respondents held a bachelor's degree, while 17.2% each had advanced certificates and master's degrees, and 14.4% had higher diplomas. This suggests a well-educated SME community, likely to make informed and strategic business decisions. Industry-wise, most SMEs operated in the trade sector (45.9%), followed by agriculture (26.3%), education (20.0%), and a small proportion in manufacturing and processing (3.8%), highlighting the dominance of commerce-based activities and the limited industrial base in Kampala. Respondents with no formal education or only ordinary certificates were excluded, as SME management typically requires post-secondary skills for business planning, compliance, and strategic operations. This educational profile reflects a knowledgeable respondent base capable of informed decision-making and effective enterprise management.

Employment size data show that the majority of SMEs (57.2%) employed 1–4 people, indicating that most are micro-enterprises. Only 13.4% had more than 10 employees, reflecting limited capacity for large-scale operations. Annual turnover data further revealed that 47.5% of SMEs earned between 5–10 million UGX, 30.0% earned 11–49 million UGX, and only 12.8% earned 50–100 million UGX. Notably, none reported turnover above 100 million UGX, suggesting that most SMEs are small-scale in terms of revenue generation.

Regarding legal ownership, 60.9% of the businesses were sole proprietorships, followed by 20.9% private limited companies and 18.1% partnerships. This dominance of sole proprietorships indicates a preference for simpler ownership structures, which may limit access to investment and scaling opportunities. Finally, 46.3% of SMEs had been in operation for 2–5 years, and 35.3% for 6–10 years, implying that most enterprises are still in early to mid-growth stages.

4.5 Pearson Correlation Results

Table 4.2: Pearson’s Correlation Results between study variables

The study conducted a correlation analysis to determine the relationships between the variables, addressing objectives one and two. The findings are displayed in Table 4.2.below.

Variable/Indicator	1	2	3	4	5	6	7	8	9	10	11	12
Stakeholder Participation (1)	1											
Consultation (2)	.763**	1										
Decision Making (3)	.452**	0.091	1									
Roleplaying (4)	.684**	.342**	0.1	1								
Stakeholder Commitment (5)	.261**	.150**	0.04	.348**	1							
Affirmative Commitment (6)	.684**	.342**	0.1	1.000**	.348**	1						
Normative Commitment (7)	.408**	.416**	.251**	.610**	.399**	.610**	1					
Continuance Commitment (8)	.261**	.150**	0.04	.348**	1.000**	.348**	.399**	1				
SME Performance (9)	0.38	0.37	0.361	.263**	0.42	.263**	.219**	.111*	1			
Profitability of Business (10)	0.06	.211**	.141*	.317**	.125*	.317**	.179**	.125*	.640**	1		
Growth of Business (11)	.112*	0.042	.190**	0.012	.185**	0.012	.110*	.185**	.500**	0.083	1	
Sales (12)	0.003	.126*	.304**	.151**	.226**	.151**	.292**	.226**	.661**	.141*	0.08	1

** . Correlation is significant at the 0.01 level (2-tailed).

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

4.5.1: Relationship between Stakeholder Participation and SME Performance

The results in Table 4.2 show a statistically significant positive correlation between stakeholder participation and SME performance ($r = 0.38$, $p < 0.01$). This suggests that increased stakeholder participation through consultation, involvement in decision-making, and role-playing has a weak to moderate positive influence on the performance of SMEs

4.5.2: Relationship between Stakeholder Commitment and SME Performance

The findings further indicate a statistically significant positive correlation between stakeholder commitment and SME performance ($r = 0.42$, $p < 0.01$). This weak to moderate correlation implies that as stakeholder commitment increases whether affective, normative, or continuance—the performance of SMEs also improves. The significance at the 0.01 level reinforces the reliability of this relationship, highlighting that committed stakeholders contribute meaningfully to SME growth, profitability, and sustainability.

4.6 Multiple Regression Analysis

In order to ascertain the predictive power and combined effect of the independent variables on the dependent variable, a multiple regression was run using SPSS version 21. The results are presented in table 4.3.

Table 4.3: Regression Results

Model	R	R ²	Adjusted R ²	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
Regression	0.53	0.281	0.273					
Constant				2.216	0.331		6.695	0
Stakeholder Commitment				0.468	0.085	0.392	5.505	0
Stakeholder Participation				0.174	0.043	0.284	4.047	0

a. Dependent Variable: SMEs performance

b. Predictors: (Constant), Stakeholder Participation, Stakeholder Commitment

The regression model produced an R value of 0.53, indicating a moderate positive correlation between stakeholder participation, stakeholder commitment, and SME performance in Kampala. The R^2 value of 0.281 shows that 28.1% of the variance in SME performance is explained by the model, while the adjusted R^2 of 0.273 confirms a good model fit after accounting for the number of predictors. The results show that stakeholder commitment has a stronger influence on SME performance, with an unstandardized coefficient (B) of 0.468 and a standardized beta (β) of 0.392, which is statistically significant ($t = 5.505$, $p = 0.000$). Stakeholder participation also positively influences SME performance with $B = 0.174$, $\beta = 0.284$, $t = 4.047$, and $p = 0.000$. These findings indicate that both stakeholder commitment and stakeholder participation significantly contribute to SME performance in Kampala, with stakeholder commitment having a greater impact.

CHAPTER FIVE

DISCUSSION, CONCLUSION, AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a discussion of the findings, conclusions drawn from the study findings and literature, recommendations. The chapter ends by suggesting areas for further research.

5.1 Discussion of Findings

This section discusses the findings in line with the study objectives. In addition, the discussion shows whether the findings are in support of existent literature or not.

5.1.1 Relationship Between Stakeholder Participation and SME Performance

The findings revealed a statistically significant and positive relationship between stakeholder participation and SME performance in Kampala. This suggests that when stakeholders are actively engaged in consultation, decision-making, and operational roles, SMEs experience improved growth, profitability, and sustainability. This aligns with Ekezie and Onuoha (2023) and Musyoka et al. (2023), who found that stakeholder involvement enhances performance outcomes by promoting better planning and decision-making. These results are supported by the Stakeholder Theory developed by Freeman (1984), which asserts that organizations perform better when they consider and create value for all stakeholders, not just shareholders. By meaningfully engaging stakeholders, SMEs cultivate trust, legitimacy, and cooperation factors that are essential for long-term business success.

5.1.2 Relationship Between Stakeholder Commitment and SME Performance

Stakeholder commitment was also found to significantly enhance SME performance. This finding supports the notion that affective, normative, and continuance commitment foster stability, loyalty, and active contribution to enterprise goals. It concurs with Bagiire et al. (2016), who emphasized

that committed stakeholders drive operational efficiency and resilience, and Journeault et al. (2021), who noted that stakeholders who take on supportive roles strengthen sustainability efforts. The Stakeholder Theory (Freeman, 1984) reinforces this relationship by positing that stakeholder commitment is vital for building mutual trust and long-term engagement. When stakeholders are emotionally and normatively aligned with organizational objectives, they are more likely to support strategic initiatives and contribute meaningfully to SME performance.

5.1.3 Combined Relationship Between Stakeholder Participation, Stakeholder Commitment, and SME Performance

The regression results demonstrated that both stakeholder participation and commitment significantly influence SME performance, with stakeholder commitment exerting a stronger predictive effect. The combined model explained 28.1% of the variance in SME performance, suggesting that these two variables play a substantial role in driving business outcomes. This supports the findings of Miller et al. (2020), who emphasized the synergistic effect of participation and commitment on innovation and firm performance. In line with Stakeholder Theory (Freeman, 1984), managing stakeholder relationships through both active involvement and deeper commitment contributes to mutual value creation, organizational alignment, and improved performance. This theory underpins the idea that SMEs benefit not just from stakeholder input, but from fostering sustained, trust-based partnerships that enhance strategic execution and resilience.

5.2 Conclusion

This study examined the relationship between stakeholder participation, stakeholder commitment, and the performance of small and medium-sized enterprises (SMEs) in Kampala, Uganda. The findings demonstrate that both stakeholder participation and stakeholder commitment significantly

influence SME performance, with commitment having a comparatively stronger impact. These results affirm the importance of involving stakeholders not only in decision-making processes but also in fostering long-term emotional and normative alignment with enterprise goals.

Theoretically, the study supports the application of Stakeholder Theory (Freeman, 1984), emphasizing that SMEs perform better when they engage and create value for all stakeholders, rather than focusing solely on financial metrics. Practically, the results underscore the need for SME managers to promote inclusive decision-making and strengthen stakeholder loyalty to drive organizational effectiveness, growth, and sustainability. From a policy perspective, the findings highlight the need for government agencies and support institutions to design programs that encourage stakeholder integration and long-term commitment, such as participatory training, inclusive financing models, and policy frameworks that support collaborative governance in SMEs.

In conclusion, enhancing stakeholder participation and commitment is essential for improving SME resilience and performance in Uganda. Promoting these dimensions could mitigate the high failure rates of SMEs, foster job creation, and support the country's broader economic development goals.

5.3 Recommendation for Study

Based on the key findings of the study, several recommendations are made to improve SME performance by strengthening stakeholder participation and commitment:

Firstly, SME owners and managers should prioritize the active involvement of stakeholders in business decision-making processes, including consultation, strategic planning, and operational execution. This participatory approach not only fosters a sense of ownership and accountability

among stakeholders but also enhances organizational legitimacy and trust. Engaging stakeholders meaningfully as opposed to superficially ensures that diverse perspectives are integrated into business strategies, leading to more robust and sustainable performance outcomes. The study found a positive and significant relationship between stakeholder participation and SME performance, making this a critical recommendation.

Secondly, SME leadership and management teams should adopt deliberate strategies aimed at enhancing stakeholder commitment. This involves building emotional (affective), moral (normative), and obligation-based (continuance) ties with stakeholders through transparent communication, appreciation of contributions, inclusive leadership practices, and long-term engagement. When stakeholders feel genuinely valued and aligned with the enterprise's mission, they are more likely to commit their time, knowledge, and resources toward achieving organizational goals. The study demonstrated that stakeholder commitment had an even stronger impact on SME performance than participation, underscoring the need for targeted investment in fostering loyalty and trust.

Thirdly, boards of directors or SME governance bodies should ensure that stakeholder involvement is structured and purposeful. Stakeholders should be assigned clearly defined roles and responsibilities with real influence on decision-making. Avoiding tokenistic engagement is critical when stakeholders are empowered to contribute meaningfully, the organization benefits from their insight, networks, and commitment. This structured approach enhances operational clarity and aligns stakeholder expectations with the firm's strategic direction, ultimately boosting business growth and resilience.

Furthermore, the Ministry of Trade, Industry and Cooperatives, along with the Uganda Investment Authority (UIA), should develop policies and programs that incentivize SMEs to adopt stakeholder-inclusive models of governance. This could include tax incentives, access to grants or subsidized credit, and public recognition for SMEs that implement best practices in stakeholder engagement. National-level support is essential for creating an enabling environment where stakeholder inclusion becomes a competitive advantage rather than an administrative burden.

Enterprise Uganda and the Private Sector Foundation Uganda (PSFU) should spearhead training and capacity-building programs designed to enhance stakeholder engagement competencies among SME operators and key stakeholders. These programs should focus on participatory leadership, strategic communication, conflict resolution, and stakeholder commitment management. Equipping SME actors with these skills will strengthen the quality of engagement and reinforce long-term performance gains.

In conclusion, while all recommendations are important, the most significant is the active and structured involvement of stakeholders by SME owners and managers, as this forms the foundation for both improved commitment and enhanced performance. These recommendations are practical and aligned with both the empirical findings and the Stakeholder Theory, which emphasizes value creation for all parties involved in the enterprise.

5.4 Limitations

The research relied on self-reported data from business owners and managers, which could have introduced biases through over or underreporting, thereby compromising the accuracy of the findings. Secondly, the study didn't account for external factors such as economic shifts, regulatory policies, and market dynamics that could impact SME performance. This omission could have influenced the results regarding stakeholder effects.

Lastly due to time constraints and the duration of the MBA program the study adopted a cross-sectional approach to generate the results about the study. A longitudinal approach would have offered better results assessed over a long period of time. Nevertheless, the researcher believes that the results obtained after a rigorous process also informs knowledge, policy and practice.

5.2 Areas of further Study

Since the current study was limited to the relationship between stakeholder participation, commitment and Performance of SMEs in Kampala district, further research can be carried out on the following subjects. Secondly, future study can explore comparative studies between different sectors or industries to understand how stakeholder commitment varies and its influence on performance across diverse business contexts. Thirdly, further studies can investigate the role of technology in enhancing stakeholder engagement and commitment, assessing how digital tools and platforms affect SME performance. Lastly, I recommend that a longitudinal study be adopted to compare the same results over along period for better conclusions and recommendation

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APPENDICES

Appendix I: Questionnaire form for SMEs owners

QUESTIONNAIRE

Dear Respondent,

I am Nanziri Lilian Cate, a student enrolled in the Modular program at Makerere University Business School (MUBS). As part of the academic requirements for Masters degree completion, I am conducting a research study to explore the relationship between SMEs practices and performance in Uganda. The primary aim of this research is to examine how the practices adopted by Small and Medium Enterprises (SMEs) influence their overall performance within the Central Region. The specific objectives include investigating the impact of stakeholder participation and analyzing the role of stakeholder commitment, participation in SME performance. Your candid and confidential responses will play a crucial role in contributing to the academic goals of this research. I sincerely appreciate your valuable time and cooperation in providing insights into the dynamics of SME practices and their subsequent performance in Uganda.

Thank you for your participation.

Sincerely,

Nanziri Lilian Cate

2022/HD10/5513U

SECTION A

PART A: RESPONDENTS IDENTIFICATIONS

1. Age

18- 30 ☐

31-40 ☐

41-45 ☐

46-55
Above 55

2. Gender

Male
Female

3. Education Level

Advanced certificate
Higher Diploma
Bachelor's degree
Masters degree
PhD

..... Any other (specify)

4. In which SMEs industry sector does your business operate?

Manufacturing & Processing
Trade Services
Agriculture
Education
Others

5. What is the breakdown of businesses based on their size in terms of employment?

1-4

5-9	
>10	

6. What is the yearly revenue or turnover of businesses?

<5million	
5-10 million	
>10 million	

7. In what legal ownership categories does the businesses fall?

Sole Proprietor	
Partnership	
Private Limited	
NGO	
Others	

8. How long has your business been in operation?

2-5 yrs	
6-10 yrs	
11-20 yrs	
21-50 yrs	
> 50	

SECTION B

9. Stakeholder Participation

Where SD=Strongly Disagree,D=Disagree,N=Neutral,A=Agree,SA= Strongly Agree

Consultation	1	2	3	4	5
	SD	D	N	A	SA
Management in SMEs involve employees in decisions					
Management encourage staff to make suggestions					
Employees are kept informed about changes					
Management act on staff suggestions.					
Decision Making					
SME entrepreneurs employ rational decision-making processes, which has impact decision-making efficiency.					
Stakeholders play role in influencing key decisions					
SMEs be characterized by a more collaborative and inclusive approach when compared to larger corporations, especially in terms of incorporating diverse stakeholder perspectives.					
SME entrepreneurs perceive and manage the potential conflicts that may arise from stakeholder involvement in decision-making.					
Role Playing					
Stakeholders, actively participate in training staff					
Stakeholders, actively participate in analyzing SME processes					
Stakeholders, actively participate in providing financial support					
Stakeholders actively participate in coordinating activities					

10. SMES COMMITMENT

	1	2	3	4	5
Affirmative	SD	D	N	A	SA

There is a strong desire to actively participate in SME practices to improve performance.					
There is emotional attachment to the goals and values underlying SMEs					
I agree with the principles and objectives of SMEs operating,					
Normative.					
There is feeling of a sense of obligation to stay involved in SME activities					
Considering external expectations, there is compulsion to continue involvement in SME activities					
There is concern of what others think if I disengage from SMEs activities?					
Continuance.					
It is costly to quit participating in our SMEs activities right now.					
The Investment considering the time and effort already put in SMEs is enough.					
The success and continuation of SMEs is significant.					

SECTION C

10. SMEs PERFORMANCE

	1	2	3	4	5
Profitability.	SD	D	N	A	SA
The business proportion of profit to capital invested is encouraging					
The business has been able to realize high returns on investment					
The business has realized a better return on assets than its competitors					

The profitability levels of the business are very Encouraging					
Growth of the business					
Profit growth of our company is better					
Productivity of our company is better.					
Customer satisfaction towards our company is better.					
Sales.					
Sales growth of our company is better.					
Return on sales (ROS) of our company is better					
There have been no instances of spending too much and no income attained					
There have been no cases of spending too much money and little output attained					
Resources have been effectively spent and objectives achieved					
The business has a large capital base to act as security for long term loans					

Thanks for your cooperation

Appendix ii: Introductory Letter from MUBS



MAKERERE UNIVERSITY BUSINESS SCHOOL

Plot 21A, New Portbell Road, P. O. Box 1337, Kampala - Uganda
General Line: +256-414-338120; Fax: +256-414-505921

Faculty of Graduate Studies & Research

August 21, 2024

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: NANZIRI LILIAN CATE MBA 2022/HD10/5513U

The above named is a student of Makerere University Business School pursuing studies leading to the award of Master of Business Administration of Makerere University.

She joined the school in 2022 and has completed the course work component of the program. She is currently carrying out research on the topic: **"Stakeholder Participation, Stakeholder Commitment, and SMEs Performance in Kampala District;**

Any assistance rendered to her towards the completion of her studies will highly be appreciated.

Thank you,

Catherine Nakiyingi
Senior Assistant Registrar



Email: deangrc@mubs.ac.ug

@mubs fgrr

@mubsfgsr

Website: www.mubs.ac.ug

MUBS

Appendix iii: Krejcie and D. W. Morgan table for Sample Size (s) determination

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	301	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384

From: R.V. Krejcie and D. W. Morgan (1970)

Appendix iv: List of SMEs in Kampala

FRIENDS HOTEL AND RESTAURANT CONSULTANCY LIMITED
FRIENDS PROPERTY AND MANAGEMENT LIMITED
POINT INVESTMENTS LIMITED
A & S ELECTRONICS LIMITED
A2Z INFRA ENGINEERING LIMITED
AANGAN LIMITED
ABERCROMBIE & KENT TOURS AND TRAVEL LIMITED
ABMAK ASSOCIATES,ADVOCATES AND LEGAL CONSULTANTS
ACACIA EDUCATION SERVICES ACCESS I.T.LIMITED
ACCESS UGANDA SOLAR OPERATION AND MAINTENANCE LIMITED
ACCURATE SECURITY SERVICES (U) LIMITED
ACE GLOBAL UGANDA LIMITED
AD CONCEPTS LIMITED
ADVANCE AFRIKA LIMITED
ADVANCE UGANDA MICRO FINANCE LIMITED
ADVENTIST DEVELOPMENT AND RELIEF AGENCY LIMITED
AECOM UGANDA LIMITED
AEROLINK UGANDA LIMITED
AF MPANGA ADVOCATES AFRIBON (U) SMC LIMITED
AFRICA BIOSYSTEMS UGANDA LIMITED
AFRICA F.M.LIMITED
AFRICA FREEDOM OF INFORMATION CENTRE
AFRICAN CENTRE FOR TREATMENT OF TORTURE VICTIMS
AFRICAN FINE COFFEES ASSOCIATION
AFRICAN HUMANITARIAN ACTION
AFRICAN PRISONS PROJECT
AFRICAN RENEWAL MINISTRIES
AFRICAN VENDING SYSTEMS (AVS) LIMITED
AFRICAN WILDLIFE FOUNDATION

AFRICANATOURSANDTRAVEL LTD.
AFRO BUILD (U) LTD
AGA KHAN HEALTH SERVICE UGANDA
AGDEVCO UGANDA LIMITED
AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT LIMITED
AGENCY FOR CO-OPERATION AND RESEARCH (ACORD)
AGENCY FOR TECHNICAL COOPERATION AND DEVELOPMENT (ACTED)
AGRISCOPE (AFRICA) LIMITED AGROWARE HOUSING LIMITED
AGS FRASERS INTERNATIONAL REMOVALS UGANDA LIMITED
AIKAN (U) LIMITED
AIRCOM SYSTEMS LTD
AKELLO HOTEL LIMITED
AKSHAR CONCRETE PRODUCTS LIMITED
AKZO NOBEL UGANDA LIMITED
AL MUBARAK CONTRACTING LIMITED
ALEXANDER FORBES FINANCIAL SERVICES UGANDA LIMITED
ALIBHAI RAMJI LIMITED
ALIVE MEDICAL SERVICES
ALIYZECO INDUSTRIES LIMITED
ALLIANCE FORUM FOR DEVELOPMENT (AFOD) UGANDA
ALLIANCE MEDIA (U) LTD
AMADEUS GLOBAL TRAVEL DISTRIBUTION LIMITED
AMALGAMATED PROPERTY SERVICES LIMITED
AMERICAN REFUGEE COMMITTEE
ANCHOR INDUSTRIES LIMITED
ANIK INDUSTRIES UGANDA LIMITED
ANKOLE COFFEE PRODUCERS CO-OPERATIVE UNION LIMITED
ANKOLE FARMERS AND TRADERS COOPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED
AQUA COOLERS LIMITED

AQUVA INTERNATIONAL LIMITED
ARCADIA ADVOCATES
ARCH FORUM LIMITED
ARISE AND SHINE MAIZE MILLERS LIMITED
ASG EYE HOSPITAL PRIVATE LIMITED
ASHINAGA LIMITED
ASHPAR BUILDERS LIMITED
ASKAR SECURITY SERVICES LIMITED
ASSAABLOY U LIMITED
ASSOCIATION FOR STRENGTHENING AGRICULTURAL RESEARCH IN EASTERN AND CENTRAL AFRICA (ASARECA)
ATOM OUTDOOR LIMITED
AURECON UGANDA LIMITED
AUTOTUNE AND ENGINEERING LIMITED
AVIATION HANGAR SERVICES LIMITED
AVMK PROPERTIES
AWAMO UGANDA LIMITED
AYO UGANDA LIMITED
A-Z CHILDREN’S CHARITY UGANDA LIMITED
BABCON (U) LIMITED
BAGEINE AND COMPANY LIMITED
BAKER’S LODGE LIMITED
BAKHSONSTRADING CO. (U) LIMITED
BALAAM MARKETING & PROMOTIONS AGENCY LIMITED
BALIYO UGANDA LIMITED
BALTIC TEXTILE TRADING LIMITED
BAMUS HOLDINGS LIMITED
BANANA BOAT LIMITED
BARYARUHA AZARIUS BATTERY PLUS LIMITED
BCR GENERAL LIMITED

BDO EASTAFRICA
BDO EAST AFRICA ADVISORY SERVICES LIMITED
BEIJING EXPRESSWAY SUPERVISION CO.,LTD.
BENLE CONSULT LIMITED
BEST HOLDINGS LIMITED
BETA HEALTHCARE UGANDA LIMITED
BEYOND LOGISTICS LTD
BEYOND THE SKY TOURS AND TRAVEL BUREAU LIMITED
BHARWANI GROUP LIMITED
BHUNDU BASE LIMITED
BIG ORANGE EXPRESS COURIER LIMITED
BIRUS PROPERTY SERVICES LIMITED
BISHOP STUART UNIVERSITY MBARARA (U) LIMITED
BLUE CUBE LTD
BODA BODA BANJA LIMITED
BORDER ENERGY EAST AFRICA PTY LIMITED
BPI UGANDA INVESTMENT COMPANY LIMITED
BRAC SOCIAL BUSINESS ENTERPRISES UGANDA LIMITED
BROLL UGANDA LIMITED BT SOLUTIONS LIMITED
BUGANDA LAND BOARD LIMITED
BUGOLOBI VILLAGE MALL LIMITED
BUILDING ENERGY UGANDA LIMITED
BUILDING TOMORROW UGANDA
BUNYONYI SAFARIS LIMITED
BUREAU VERITAS UGANDA LIMITED
BURHANI ENGINEERING AND CYLINDER MANUFACTURING INDUSTRY (U) LIMITED
BUSH PIG BACK PACKERS LIMITED
BUSHENYI COTTON LIMITED
BUSINESS CENTRE LIMITED

BYANSI FISHERIES LIMITED
C.N.COTTON LIMITED
CAFESSERIE UGANDA LIMITED
CANAAN SITES LIMITED CAPACITY SERVICES LIMITED
CAPITAL LOGISTICS & CONSTRUCTION LIMITED
CAPITAL OUTDOOR ADVERTISING CO LIMITED
CARE AND ASSISTANCE FOR FORCED MIGRANTS (CAFOMI)
CARITAS MOROTO
CARLCARE SERVICE LIMITED
CARRIERS (UGANDA) LIMITED
CASINO GOLDEN CITY LIMITED
CELLULANT UGANDA LIMITED
CEMM GROUP LIMITED
CENTER FOR DOMESTIC VIOLENCE PREVENTION
CENTER FOR HEALTH HUMAN RIGHTS AND DEVELOPMENT
CENTURY CINEMAX LIMITED
CESVI COOPERAZIONE SVILUPPO CET INDUSTRIAL (U) LIMITED
CHALLENGER UGANDA LTD
CHAPTER FOUR UGANDA LIMITED
CHEMIPHAR (U) LIMITED
CHERISH SERVICES UGANDA
CHESTNUT UGANDA LIMITED
CHILDCARE KITGUM SERVANT ST/A IRENE GLEESON FOUNDATION LTD
CHILDRENAT RISKACTION NETWORK
CHILDS I FOUNDATION
CHIMPANZEE SANCTUARY & WILDLIFE CONSERVATION TRUST.
CHINA JIANGXI CORPORATION FOR INTERNATIONAL ECONOMIC AND TECHNICAL COOPERATION
CHINA NEW ERA GROUP CORPORATION

CHOBE SAFARI LODGES LIMITED
CLIEFFE S.R.L
CITY BLUE HOTEL ONE LIMITED
CITY GENERAL AGENCIES LIMITED
CIVIL SOCIETY BUDGET
ADVOCACY GROUP
CIVTEC AFRICA LIMITED
CLARKE INTERNATIONAL UNIVERSITY
CLASSIC AFRICA SAFARIS (U) LIMITED
CLEANING & GENERAL SUPPLIES ENTERPRISES (U) LTD
CLUBWIN U LIMITED COIL LIMITED
COLLATERAL MANAGEMENT INTERNATIONAL (U) LIMITED
COLLINE HOTEL LIMITED
COMMUNICATION FOR DEVELOPMENT FOUNDATION UGANDA
COMMUNITY INTEGRATED DEVELOPMENT INITIATIVE LIMITED
COMPLANT ENGINEERING & TRADE (UGANDA) LIMITED
COMPULYNX (U) LIMITED COMPUTECH UGANDA LIMITED
COMPUTER INFORMATION SYSTEMS UGANDA LIMITED
COMPUTER POINT DATA CENTRE LIMITED
CONCRETE CONSTRUCTION LIMITED
CONSTRAWORKS LTD
COORDINATION FUNCTION DAR RALNUC DANIDA
CORE2AFRICA NETWORKS UGANDA LIMITED
COZY (U) LIMITED
CRAFT SOLUTIONS UGANDA LIMITED
CRANE MANAGEMENT SERVICES LIMITED
CREATION CONSULT AFRICA LTD
CRESTED STOCKS AND SECURITIES LIMITED
CRIPPLED CHILDRENS UNITED REHABILITATION EFFORT
CROWN BERGER (U) LIMITED

CRYSTAL TRAVEL SERVICE LIMITED
CWG UGANDA LIMITED
CYBER SCHOOLS TECHNOLOGY SOLUTIONS LIMITED
DAFFODILS EDUCATION SERVICES LIMITED
DAI GLOBAL, LLC
DAKS COURIERS LIMITED
DAN CHURCH AID
DANATA INVESTMENTS LIMITED
DATA CARE UGANDA LIMITED
DATANET.COM LLC
DATIVA & ASSOCIATES LTD
DAVID ENGINEERING LIMITED
DAWSON ESTATES LIMITED
DAYALBHAI MADANJI AND COMPANY (INVESTMENT) LIMITED
DCDM ADVISORY SERVICES UGANDA LIMITED
DDEMBELYO TELCOMS LTD
DELHI PUBLIC SCHOOL INTERNATIONAL LIMITED
DELMAW ENTERPRISES LIMITED
DE-NOVO BREAD BAKERY LIMITED
DESIRE EVENTS AND LEISURE SERVICES LIMITED
DESTINY CONSULTANTS LIMITED
DHARAMSY MORAJI & SONS LIMITED
DHL GLOBAL FORWARDING (UGANDA)LIMITED
DHL INTERNATIONAL (U) LTD DI INTERNATIONAL LIMITED
DIAKONIA SWEDEN
DIAMOND SHIPPING SERVICES LIMITED
DIDAS NKURUNZIZA & CO. ADVOCATES
DIMENSIONS ARCHITECTS & INTERIOR DESIGNERS (U) LIMITED
DIPPSI CONCRETE PRODUCTS LIMITED
DOWNTOWN INVESTMENTS LTD

DRACO (U) LIMITED
EAGEN PROPERTIES LIMITED
EAGLE AFRICA INSURANCE SERVICES UGANDA LTD
EAGLE INVESTMENTS LIMITED
EAST AFRICAN CONFERENCE COMPANY LIMITED
EAST AFRICAN INVESTMENTS LIMITED
EAST AFRICAN MINISTRIES LIMITED(BY GUARANTEE)
EAST AFRICAN MOTOR SUPPLIES LIMITED
EAST AFRICAN PILING COMPANY LIMITED
EAST AND HORN OF AFRICA HUMAN RIGHTS DEFENDER
EASY BAKERS & CONFECTIONERY (U) LIMITED
ECLIPSE PROPERTIES LIMITED
ECO AND PARTNER CONSULT LIMITED
ECOLE FRANCAISE LES GRANDSLACS
EDEN COMMODITIES LIMITED
EDES & ASSOCIATES CONSULTANTS LIMITED
EDMARK DIRECT MARKETING UGANDA LIMITED
EDUCATE
EFC UGANDA LIMITED (MDI)
EFRA LIMITED
EGY TRADING AND ENGINEERING PROJECTS LIMITED
ELAAB LIMITED
ELDORADO COMPANY LIMITED.
ELECTRICAL CONTROLS & SWITCH GEAR LIMITED
ELEGLANCE FINANCE LIMITED
ELITE COMPUTERS (U) LIMITED
EMERALD TELECOM (U) LIMITED
ENCOT FOUNDATION LTD
ENDEAVOUR AFRICA UGANDA LIMITED
ENDESHA ENTERPRISES LTD.

ENGINEERING SOLUTIONS (U) LIMITED
ENTERPRISE UGANDA FOUNDATION LIMITED
EQUATOR CATERING LTD
ERICKSON EQUATORIAL
AVIATION LIMITED
ERNEST COOK ULTRASOUND RESEARCH AND EDUCATION INSTITUTE LIMITED
EURALUMIN LIMITED
EURO WORLD AFRICA TOURS LIMITED
EUROPA HEALTHCARE (U) LTD
EVEREST DISTRIBUTORS LIMITED
EXCEL ENERGY LIMITED
EXP.MOMENTUM UGANDA LIMITED
EXPRESS LOGISTICS GROUP LIMITED
EXQUISITE SOLUTION LIMITED
EZEE MONEY LIMITED
FAIR BETTING LIMITED
FAIRWORLD DISTRIBUTORS 2009 LIMITED
FAIRWAY HOTEL LTD
FAUNA AND FLORA INTERNATIONAL
FAZE 3 LIMITED
FBW UGANDA LIMITED
FEDERATION OF UGANDA EMPLOYERS
FENON ENTERTAINMENT LIMITED
FFP (U) LIMITED
FIDODIDO INDUSTRIES LIMITED
FIDUGA LIMITED
FIELDS OF LIFE
FINANCIAL ACCESS COMMERCE AND TRADE SERVICES UGANDA LIMITED
FINCA NETWORK SUPPORT B.V.
FINCA PLUS,LLC

FINCREDIT UGANDA LIMITED
FINN CHURCHAID UGANDA
FINNISH REFUGEE COUNCIL
FIRE MASTERS LIMITED
FIREWORLD LIMITED
FIRMA PROFIT INTERNATIONAL (PTY) LIMITED
FITIDIS GROUP OF COMPANIES UGANDA LIMITED
FIVE STAR INSURANCE SERVICES LIMITED
FLAXEM SYSTEM ENTERPRISES LIMITED
FLEET MONITORING SYSTEMS LIMITED
FLITLINKS INTERNATIONAL LIMITED
FOOD AND AGRICULTURE RESEARCH MANAGEMENT AFRICA (FARM)
FOOD FOR THE HUNGRY INTERNATIONAL UGANDA
FORUM FOR AFRICAN WOMEN EDUCATIONALISTS (FAWE) UGANDA
FORUM FOR WOMEN IN DEMOCRACY
FOUNTAIN PUBLISHERS LTD
FREE BALANCE UGANDA LIMITED
FREEDOM HOUSE – UGANDA LIMITED
FREIGHT INTIME (U) LIMITED
FRIEDRICH EBERT FOUNDATION
FUTURE OPTIONS CONSULTING LTD
FUTURE TECHNOLOGIES LIMITED
FUTURELINK TECHNOLOGIES LTD
G & C TOURS LIMITED
G.5.LIMITED
G.M.SUGAR LIMITED
GADITH INVESTMENTS LTD
GALAXY AGROTECH (U) LIMITED
GALAXY FM LIMITED
GALAXY INTERNATIONAL SCHOOL

GAMING EAST AFRICA AND ENTERTAINMENT LIMITED (SINGLE)
GARDEN HOTEL ENTEBBE LIMITED
GATEWAY BUS SERVICES LTD
GCC SERVICES(UGANDA)LTD
GEMEX (UGANDA) LIMITED
GEMS LOW COST SCHOOLS (UGANDA) LTD
GENAFRICA ASSET MANAGERS LIMITED
GENERAL AGENCIES UGANDA LIMITED
GENERAL AND ALLIED LTD.
GENERAL ELECTRIC INTERNATIONAL INC (UGANDA)
GENERAL MACHINERY LIMITED
GEO GECKO
GEORGE & DOUGLAS LIMITED
GEOTECH SOLUTIONS (U) LTD
GEOTECHNICAL ENGINEERING AND TECHNOLOGY LABORATORY LIMITED
GILAT TELECOM UGANDA LIMITED
GINKS (U) LIMITED
GLOBAL LINK ASSOCIATES LIMITED
GLOBAL NETWORKS LIMITED
GLOBAL PROGRAMS FOR RESEARCH AND TRAINING LIMITED
GLOBALVET (U) LIMITED
GLOBETRENDZ LIMITED
GLOBETROTTERS LIMITED
GLORY SUMMIT HOTEL
GOLDEN COURTS HOTEL LIMITED
GOLDEN MARKETING LTD
GOLDMARK PROPERTIES LIMITED