

Leadership Practices and Growth of Small and Medium Enterprises (SMEs) in Uganda, a Case of Masaka Municipal Market

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Abstract: *The study assessed the relationship between leadership and growth of SMEs in Uganda using the case of Masaka Municipal Market (MMM). It sought to establish the leadership forms that were employed by leaders in SMEs in the market, determine the growth trends in these SMEs, and examine how the two variables interacted. The study employed both a descriptive and a correlational research design. Both quantitative and qualitative approaches were used to collect data. A total of 405 respondents participated in the study and included leaders and top management of 123 SMEs in Masaka municipal market. The study findings revealed that there is a positive relationship between directive, coaching and supportive leadership styles, and growth of SMEs. It was also revealed that delegating leadership had a negative relationship with growth of SMEs. It was concluded that a mix of directive, coaching and supportive leadership led to better growth results in SMEs. Delegating leadership limits growth in SMEs. It was recommended that leadership training for leaders in SMEs was important to develop a mix of leadership skills and competencies. Employee skills development is also necessary to enable them react better to different forms of leadership.*

Keywords; Leadership Practices; Growth ; Small and Medium Enterprises (SMEs); Uganda; Masaka Municipal Market

1.1 Introduction

This study examined the influence leadership styles and growth of Small and Medium enterprises in Masaka Municipality, Uganda. The study noted that there are number SMEs which are established annual; the majority of SMEs in Uganda are short live they do not leave to see they second birth day. It worth noting that, very few of those small firms can reach the medium size which, eventually, a portion of them have the potential to further develop into large firms depending on the founders and the entrepreneurs of those firms (Nichter & Goldmark, Small Firm Growth in Developing Countries, 2009) This study sought to critically examine the leadership styles and its influence in organization performance .

Small scale entrepreneurship is applied by those entrepreneurs who had been able to lead their enterprises into sustained growth. In this study, Leadership style was conceived to be the independent variable, whereas enterprise growth was the dependent variable.

Business growth has been an area of study for many researchers (Gupta, Guha, & Krishnaswami, 2013). There are many concepts of enterprise growth stages. Most of them are derived from a classical model of social systems growth cycle, according to 'S' curve, in which there are three basic phases: emergence and growth, stability and dynamic balance and change or collapse and dissolution (Brzezinski & Stefanczyk, 2013). Various theories and models have emerged over the years describing the process through which an enterprise goes, from idea conception to the final stages. In the 1959 classic "theory of the growth of the firm" Penrose described the firm as an 'administrative organization in the real world, in which the firm's existing human resources provide both an inducement to expand and a limit to the rate of expansion (Garnsey, 1998). (Greiner, 1972) Proposed five stages of business growth and argued that each stage ends with a set of crises, which must be resolved for the organization to develop to the next stage. He emphasized that each stage had specific demands that had to be met by the organization. (Churchill & Lewis, 1987, pp. 4,5,6,7) broke the stages of enterprise growth into five, i.e. existence, survival, success, take-off, and resource maturity. However, this linear life cycle model of enterprise growth has received criticism from various scholars, who argue that while broad stages of enterprise development can be indicated, firm development may not necessarily progress through each stage (Asiimwe, 2015, p. 1). Empirical evidence shows that some firms move from one stage to another, then stagnate, and subsequently either die off, or progress to another stage. There have also been cases of a firm moving from a

higher stage to a lower stage.

Much as the impact of leadership on success of big businesses has been explored extensively, and there is evidence of a clear link between the adoption of good leadership practices and performance of these businesses, Leadership in SMEs has not received the same kind of attention in the past. Researchers have acknowledged that an understanding of leadership behaviors of the leaders of SMEs is crucial to ensure further development of SMEs (Abu Kassim & Sulaiman, 2010). Whereas most studies about challenges facing SMEs in developing countries have focused on factors such as business environment, access to finance, availability of technology there is a dearth in research about the concept of leadership in respect to growth of SMEs in these regions.

(Maina, et al., 2013)noted that in the field of entrepreneurship, particularly within the SMEs sector, the leadership has received less attention. Perhaps this was because researchers considered SMEs too small to be affected by the concepts of leadership. However, SMEs represent a unique cluster of organizations normally dominated by founders, with limited resources and operating in highly volatile and competitive environments. Success and sustainability therefore requires exceptional effort from role players creating a dire need for extra-ordinary leadership capability.

(Cogliser & Brigham, 2004)mentioned that leadership had started receiving greater attention in the entrepreneurship literature since it had been recognized that entrepreneurs cannot successfully develop new ventures without the presence of effective leadership behavior. In recent years, the term “entrepreneurship” or “entrepreneurial management/ orientation” has become increasingly popular- not the least in the context of small and medium size enterprises (SMEs) (Eriksson & Li, 2012)

Effective leadership is thought to be crucial in the attainment of organizational success and more importantly in the sustainability and success of SMEs. While research shows that the possession of certain traits alone does not guarantee leadership success, there is evidence, especially in Western literature, that effective leaders are different from other people in certain key aspects.

2.0 Literature Review

2.1 Leadership practices

According to Hersey and Blanchard, there are four types of leadership which include Directing, Supporting, Delegating and coaching.

Directing

Directive leadership is defined as the process of providing the subordinates with a guideline for decision making and action that is in favor with a leader’s perspective. It is also commonly perceived as a task oriented behavior, with a strong tendency to control discussions, dominate interactions, and personally direct task completion (Bell, Chan, & Nel, 2014, p. 4). A directive leader needs real or perceived position power and an overt or silent threat that creates fear (Pallas, 2012, p. 8).(Stefanovic, 2007, p. 4)explains that the directing leadership style is characterized by setting clear directions and rules. Leaders, using this style, command, indoctrinate, supervise, and control their workers. Apart from that, these leaders provide necessary information and training to their workers.

Coaching

(Whitmore, 2002, p. 2)says Coaching is unlocking a person’s potential to maximize their own performance. It is helping them to learn rather than teaching them. He further adds that a leader acts in such a manner that possibilities based on mutual commitment are created, which enables those being coached to get the best out of themselves. The best business coaches act as a valuable mirror for their direct reports and help them to better assess what they are doing and what they are doing(Zenger & Stinnet, 2010, p. 1).For a coach to be able to do his/ her job properly, it is necessary to consider the mental and psychic characteristics of subordinates and give them a certain direction (abedini, Esmaili, & Tojari, 2014).(Mwai, 2011, p. 7)adds that the leader explains why, solicits suggestions, praises behaviors that are approximately right and continues to direct task accomplishment.

Supporting

In supportive leadership, the manager is not as interested in giving orders and managing every detail as in giving employees the tools they need to work themselves. While delegation is a vital part of supportive leadership, managers do not simply assign tasks and then receive the results.

Instead, they work through the tasks with employees to improve skills and talent until the manager does not need to worry about a task being done correctly and the employee is fully empowered in a particular area (Schweikle, 2014, p. 13).(Hocine &

Zhang, 2014, p. 3) explain that Providing supportive autonomy means giving people the room they need to succeed on their own, but also remaining hands-on enough to provide support when it is needed. Leaders create a positive workplace when they view their role as coordinating, facilitating, and supporting the work of their people rather than controlling it. Leaders pass day-to-day decisions, such as task allocation and processes, to the follower. The leader facilitates and takes part in decisions, but control is with the follower.

Delegating

Leaders are still involved in decisions and problem-solving, but control is with the follower. The follower decides when and how the leader will be involved. All a leader does when delegating is give their subordinate an assignment, the necessary instructions in the beginning and possibly a deadline and leave the rest up to them. That leads to the conclusion that the delegating leadership style is only suitable for use with employees who are highly skilled and highly committed and can be trusted (Schweikle, 2014, p. 14). The delegating leadership style is characterized by the transfer of authority and responsibilities to the workers and teams. Leaders, using this style, share projects and tasks with their followers and allow them to complete the tasks independently. For this style to be successful, leaders need to be familiar with their workers and their education, knowledge, skills, goals, desires, leadership potentials, etc. In this way, leaders are in a position to delegate projects to the suitable workers. During the delegating process, leaders communicate the goals, standards, procedures, and authorizations to their followers. Afterwards, leaders transfer projects to the followers, and the leaders focus on supervision and evaluation of the work. (Stefanovic, 2007, p. 7)

2.2 Business Growth

The word enterprise growth is used to describe a development process of enterprise from small to big and from weak to strong (Moa, 2009, p. 1). Enterprise growth is a complex adjustment process which is different from the simple scale extension. (Sun & Huemin, 2004). Explain that it takes the balanced adjustments of various relations in the inside and the outside of the enterprise as the essential character, and it is the process of balanced development from unbalance to balance, and from lower balance to higher balance. Therefore, the meaning of enterprise growth is the development process that enterprise keeps the tendencies of balanced and stable growth of total performance level (including output, sales volume, profit and asset gross) or keeps realizing the large enhancement of total performance and the stage spanning of development quality and level. (Akin, 2012, p. 1)pointed out that there is no unified theory of small business growth, models and approaches used to explain small business growth are fragmented and wide ranging. (Kruger & M E, 2004, p. 2)state that quantitative growth can be characterized by the company size (turnover, added value, volume), the profitability of the company and the value of the company (shareholder value). It can also be measured in the form of qualitative features like market position, quality of product, and goodwill of the customers. (Gupta, Guha, & Krishnaswami, 2013, p. 3) suggest that there are many different theories on identifying the main factors that influence growth of an enterprise, and that they include One set that addressed the influence of enterprise size and age on growth, and the second set that deals with the influence of variables such as strategy, organization, and the characteristics of the enterprise's owners on growth of the enterprise

Many researchers have come up with various models of enterprise growth over the years each breaking down the steps taken by firms from startup to maturity stage. (Greiner, 1972)laid the foundation for enterprise growth models by identifying five stages through which every enterprise can be identified. These include existence, survival, success, take-off, and resource maturity. (Churchill & Lewis, 1987)modified this model of enterprise growth by breaking down these steps further. They go ahead and point out the critical role of the founder in these stages and how it must evolve to suit the current stage of growth of the enterprise. (Rose, Kumar, & Yen, 2006, p. 5)state that "As the founding member of the company, the entrepreneur plays an important role in the long-term business success of a new venture. The entrepreneurial leader champions the vision of the company and inspires others such as investors, venture capitalists, bankers, customers and employees to support the vision. However, at some point in time, the company will continue to grow and the founder must focus and emphasize on different areas of competencies and talents in order to lead the company to long-term business success.

In this research, the researcher follows the enterprise growth theory basing on the life cycle theory as proposed by (Greiner, 1972). (Coad & Holzl, 2010)summarized the determinants of firm growth into innovation, profitability, and productivity.

Profitability

There is still not a consensus on 'which came first; the firm growth or the profitability'.

According to some theoretical arguments, growth affects profitability and profitability supports growth. (Coban, 2014, p. 1). In a classical paper on evolutionary theory, (Alchian, 1950) proposes a "natural selection" argument that fitter firms grow and survive, but less viable firms lose their market share and exit through the evolutionary selection mechanism. Thus, if profit rates reflect the degree of fitness, it is possible to predict that profitable firms will grow and maximize their profits.(Coad & Holzl, 2010, p. 7)further propose that selection pressures operate to redistribute market share to the more profitable firms. Indeed, one would expect that profitable firms have not only the means to finance expansion, but also the motivation to grow,

since they can obtain a larger amount of profits from a larger sales base.

Innovation

(Coad, 2014, p. 18) in his review of past literature discovered that scholars have had contrasting conclusions in regards to the relationship between innovation and firm growth. Some say it has a positive relationship, others no effect at all, and yet others were still not sure even after their research. (Braunerhjelm, Ding, & Thulin, 2016, p. 21) assert that there is a strong positive relationship between innovation and firm growth. (Lockett, Hayton, Ucbasaran, Mole, & Hodgkinson, 2013, p. 12) assert that Innovation and new product development is central where the desired growth involves new products and services, whether in existing, or new markets. Successful new product innovation is associated with organizational growth in both sales and employment and also supports internationalization.

Productivity

(Pozzi & Schivardi, 2015, p. 1) note that Modern theories of industry dynamics assume that firms are heterogeneous along a single unobserved dimension, productivity, which determines the firm's performance and growth. (Coad & Holzl, 2010) Contend that there are models of evolutionary flavor that essentially posit that an economy's productive resources are reallocated from less productive to more productive firms.

2.3 Leadership style and Business growth

For SMEs to grow requires owners and employees to engage in both leadership behaviors and management practices. Leadership is associated with taking an organization into the future, through the identification and exploitation of opportunities; requiring vision to produce useful change (Lockett, Hayton, Ucbasaran, Mole, & Hodgkinson, 2013, p. 6). They further explain that leaders in SMEs may have greater discretion than those in established organizations, and thus their leadership is likely to have greater impact on firm behaviors and outcomes. According to (Henman, 2016, p. 6), Leadership style, more than leadership traits, determines leader effectiveness. Different leadership styles may affect organizational effectiveness or performance (Nanjundeswaraswamy & Swamy, 2014, p. 1). Style is related to one's model of organizational behavior. The leader's style or manner of dealing with the organization's members and communicating with them contributes to or detracts from the group's overall functioning.

(Ensley, Hmieleski, & Pearce, 2006, p. 4) Identify directive leadership behaviors as being important forms of vertical leadership within new ventures. This view stems from the need for clear goals and reward contingencies to be set during the initial stages of the new venture creation process. (Chartered Institute of Personnel Development, 2014, p. 10) adds that as the organization grows further, some of the negative sides of the traditional top-down leadership (directive) begin to emerge. For example, strong top-down hierarchy can hinder empowerment at the front line, particularly if the leader is attempting to control day-to-day operations without sufficient contact with the business, as their time is consumed by managing strategic direction and external relationships. (Bayers, 2011, p. 15) Opines that the delegating leader will do well in workplaces where all workers are very specialized in their task, most likely a highly-educated work force, such as a consultancy firm, a brokerage, or a team of IT specialists. In a review of literature, (Bruggemann, 2014, p. 6) found that the supportive leadership style is linked to affective outcomes, because socio-emotional support increases positive affect and pleasure in the workplace.

(Chartered Institute of Personnel Development, 2014, p. 26) highlighted that When managers and teams are gaining skills to lead on the organizational agenda, the role of their senior leader is to provide a sense of direction and coach them through delivery, rather than impose a new way of working in a top-down manner. (Zenger & Stinnet, 2010, p. 2) argues that Organizations need to become more inspiring and more human in order to meet the needs of the people who populate them today and Coaching is one of the best ways to achieve this, creating greater interaction between leaders and direct reports, and thereby aligning goals and progress.

Institutional Culture

The application of a leadership style cannot be an imposition but needs to consider the diversity of cultures in order to be effective (Vailati, 2014, p. 10). (Ozdemir, 2010, p. 10) agrees with this position and adds that although we live in a globalized economy in which everything is standardized, it is unlikely to find a generalization of the way culture influences leadership perception and execution. (Sharma & Sharma, 2010, p. 1) assert that leadership and organizational culture are strongly intertwined and share a symbiotic relationship. (Nikevic, 2016, p. 1) defined Organizational culture as a system of assumptions, values, norms and attitudes manifested through symbols, developed and adopted by members of an organization through their shared experience which helps them to determine the meaning of their surrounding environment and how to behave in the same. (Knowledge at Warton, 2017) notes that there are culturally-contingent attributes that can help or hinder leadership. What is seen as a strength in one culture may be a considerable

impediment in another culture.(Sharma & Sharma, 2010, p. 2)adds that employees and their organizations have a culture that dictates what to value and what priority to establish. It has been suggested that leadership style must be adjusted according to the situation to ensure organizational effectiveness.

2.4 Empirical Studies

Recent research in the UK highlighted that 41% of high-growth firms found deficiencies in management and leadership competencies to be an obstacle to business growth and Similarly, only 57% of SME employers in a Small Business Survey felt that they had strong people management skills; training had been supplied to managers in only 32% of the responding SMEs. (Chartered Institute of Personnel Development, 2014, p. 3). (Hayton, 2015, p. 8)found that variations in leadership and management skills are associated with variations in SME performance; both directly and indirectly through an increased propensity to adopt management best practices. Although interest in the field of leadership among SMEs has grown.(Hashim, Ahmad, & Zakaria, 2012)in their study on leadership styles in SMEs in Malaysia found that there was no single best style to follow and that leaders adopted different styles depending on the circumstances. However, they came to this conclusion after only investigating SMEs in the manufacturing sector, therefore their research cannot account for leadership in all sectors of the economy.(Maina, et al., 2013, p. 8)note that knowledge of how SMEs in East Africa, especially the successful ones, are led is very scarce and largely undocumented

A review of the literature indicates that there has not been much interest by scholars in the field of leadership among SMEs, especially in the context of Uganda. (Mwangi, et al., 2013, p. 41)did a content analysis of data collected from both Uganda and Kenya, and found that leaders' ability to influence their subordinates in SMEs was of high significance to growth of their organizations. Their research however does not go ahead to describe exactly how the leadership styles may influence firm growth.

3.0 Methodology

This research set out to identify leadership practices, business growth trends and the relationship between the two phenomena among SMEs. The researcher adopted the mixed methods approach.(Creswell, 2013, p. 32) explains that mixed method is used when there is need to explain the quantitative results in order to generate a complete understanding of a phenomenon.

3.1 Research Design

The study employed both a descriptive research design and a bivariate correlational research design. The descriptive research design was used to identify leadership styles and growth trends among SMEs. The correlational research design was used to determine the relationship between leadership style and growth of SMEs.(Simon & Goes, 2017)explain that bivariate correlational studies measure the relationship between two variables. Through statistical analysis, the relationship is given a degree and a direction. The degree of relationship determines how closely the variables are related. The degree of relationship determines how closely the variables are related. This is usually expressed as a number between -1 and +1, and is known as the correlation coefficient. A zero correlation indicates no relationship. As the correlation coefficient moves toward either -1 or +1, the relationship gets stronger until there is a perfect correlation at the end points.(Curtis, Comiskey, & Dempsey, 2014, p. 4)add that correlational research design can be used in any research study that does not wish (or is unable) to manipulate the independent

variable(s) under investigation. This research design was therefore appropriate in enabling the researcher to investigate the relationship between leadership style and growth of SMEs.

3.2 Study Population

The study was conducted in SMEs of Masaka municipal market located in Masaka municipality, Masaka District which is also located in the central region of Uganda 125 kilometers from Kampala, the capital city of Uganda. It was chosen because it is within reach by the researcher. Singleton (1993) advises that the ideal setting for any study should be easily accessible to the researcher and should be that which permits instant rapport with informants.

These SMEs fit the definition that has been adopted for this research for a small and medium enterprise i.e. Small enterprises are enterprises that employ between 5-49 employees and have net assets not exceeding Uganda Shillings 360 million, whereas medium enterprises are those that employ 50-100 people with net assets exceeding 360 million.

3.3 Sample size determination and selection

The researcher administered questionnaires to the head of the organization plus 3 other senior

staff members. The researcher believed these were in frequent contact with the business leader and therefore should be able to best describe the leadership.

The sample size was determined using the formula proposed by (Krejcie & Morgan, 1970)

$s = \frac{X^2NP(1-P)}{(d^2(N-1)+X^2P(1-P))}$ Where s is the required sample size,

X^2 is the table value of the Chi-square for 1 degree of freedom at the required confidence level

N is the population size,

P is the population proportion.

Table 1: Sample size

No.	Category of respondents	(N)	(S)	Sampling technique
1	Leaders	175	123	purposive sampling
2	subordinates	525	369	purposive sampling
	Total	700	492	

Key: N – Population Size, S – Recommended Sample Population (*Krejcie & Morgan, 1970*).

A sample size of 123 SMEs was investigated as provided by the Krejcie and Morgan tables

3.5 Sampling Techniques

The researcher used purposive sampling to select the sample enterprises. (Barreiro & Albandoz, 2001, p. 4) describe Purposive sampling as the type of sampling where the person who selects the sample tries to make the sample representative, depending on his opinion or purpose, thus making the representation subjective. Using this type of sampling, the researcher selected SMEs at different stages of growth in order to capture opinions from a variety of Firms

3.6. Validity and Reliability of Instruments

Validity

Validity is often defined as the extent to which an instrument measures what it purports to measure. Validity requires that an instrument is reliable (Kimberlin & Winterstein, 2008, p. 2278). In other words, validity is the degree to which results obtained from the analysis of the data actually represents the phenomena under study. The researcher got assistance from two experts to help him improve the content validity of the instrument.

Content validity ratio was used to calculate the Content Validity Index, using the formula below:

$CVI = \frac{\text{Total Number of items rated by all respondents (37 items)}}{\text{Total Number of items in the Instrument (45 items)}}$

$CVI = \frac{37}{45}$

$CVI = 0.822$

Piloting

Piloting is testing the instruments by trying them in the field. The pre-testing serves to check the questionnaire structure, sequence, meaning and ambiguity of questions. The pilot process apart from assisting in highlighting potential problems of the research instrument also serves to test reliability, validity, and appropriateness of the instrument (Asiimwe, 2015, p. 110). To enhance validity and reliability of the instrument, a pilot study was conducted in two SMEs from Masaka. These enterprises did not participate in the actual study. The purpose of pre-testing was to assess the clarity of the questionnaire and interview items. Those items found to be inadequate or vague were modified to improve the quality of the research instruments thus increasing its validity and reliability.

Reliability

Reliability is the consistency of a measurement or the degree to which an instrument measures the same way each time it is used under the same conditions with the same subjects. It is the repeatability of a measurement. Reliability is concerned with accuracy of the actual measuring instrument or procedure (Mugenda and Mugenda, 1999). The researcher used the split-half technique of assessing reliability where an instrument was designed in such a way that there were two parts. Subject scores from one part were correlated with scores from the second part to eliminate chance error. This was done using Cronbach's alpha. If R^2 (Alpha) value equaled to 0.7 and above, then the instrument was considered satisfactory (Cronbach, 1951) After the data collection, reliability analysis was done and the findings for each of the variables are presented in Table below.

Table 2: Reliability of Statistics

Variable	No. of Items	Alpha
Directive leadership	7	0.74
Coaching leadership	7	0.89
Supportive leadership	7	0.77
Delegating leadership	5	0.83
Enterprise growth	8	0.76
Institutional culture	6	0.80
Overall	61	0.80

From Table 2 above, the overall reliability coefficient of the questionnaire was 0.80. Coaching leadership had the most reliable items but, generally, all the items in the questionnaire were reliable. This implies that the instrument was reliable for use in data collection.

3.7 Data analysis

Quantitative Data Analysis

Quantitative data was analyzed using Pearson's Coefficient of Rank Correlation. The statistics used include frequency counts, percentages, mean, standard deviation, Pearson product moment correlation and Chi-square test. Data analysis required the use of a computer spreadsheet, and for this reason the Statistical Package for Social Sciences (SPSS) was used. (Arkkelin, 2014) Mentions that SPSS is widely popular within both Academic and Business circles, and it is the most used package of its type. He further says that it is a versatile software that allows many different types of analyses, data transformations, and forms of out-put. The results of data analysis are presented using frequency distribution tables and charts

Qualitative Data Analysis

The researcher analyzed Qualitative data using both content analysis and thematic analysis. Content analysis involved coding the data and later processing it. This is because the two approaches complement each other since, the theme emerges from the description summaries from the responses.

4.1 Study Findings

The study examined leadership styles and how they influence growth of Small and Medium Enterprises. This chapter presents and discusses the findings of the study. This presents an analysis and interpretation of results.

4.1.1 Response rate

A total of 492 questionnaires were distributed and 405 were returned fully completed. This gave a response rate of 82.3%. the researcher carried out 12 interviews and six focus group discussions. respondents as portrayed in the sample size table in chapter

3.

4.1.2 Background of Respondents

Table 3: Background of Respondents

Characteristics	Category	Frequency	Percentage
1. Level of Education	Bachelors	201	52.8%
	Masters	84	22%
	Diploma	63	16.5%
	Certificate	24	6.6%
	Others	9	2.0%
	PHD	4	1%
2. Work Experience	1-4 years	177	47.6%
	5-9 years	96	25.8%
	10-14 years	45	12.1%
	15-19 years	36	9.7%
	Over 20 years	18	4.8%
3. Age	20-30 years	213	56.7%
	31-40 years	105	28.9%
	31-40 years 41-50 years	45	12.4%
	41-50 years Above 50 years	8	2%
	Less than 20 years	1	0.2%

Respondents by gender

Majority of respondents were male(64.3%) compared to (35.7%) female respondents. This shows that top positions in SMEs in MMM are mainly occupied by men. Therefore, there is need to train and skill more women to occupy leadership positions in small and Medium Enterprises. Encouraging women to participate in business will help the nation tap into a wider talent pool and therefore improve chances of faster economic development.

Respondents according to age

56.7% of respondents were between the age of 20-30 years, 28.9% were between 31-40 years old, 12.4% were between 41-50 years old, 2% of the respondents were over 50 years old. The majority of the respondents were within the 20-30years age group, which comprises of the young and vibrant members of society. They were more critical of the leadership in their organizations because they had many expectations. These are people who can greatly benefit from proper leadership. This age bracket has the energy to produce stunning results if it is able to receive the right kind of leadership.

Respondents by their level of education

22% of the respondents were Master's degree holders, 52.8% had bachelor's degrees, 16.5% were diploma holders, 6.6% were certificate holders and 2.4% had other qualifications. These results indicate that majority of the respondents had a good education. Well-educated people have a lot of potential that requires leadership to point them in the right direction. With the right leadership style, there is no telling what limits SMEs can reach

Respondents by their work experience

The results show that the biggest proportion (47.6%) of the study respondents had worked for a period of between 1-4 years, followed by those who had worked for a period between 5-9 years (25.8%). 12.1% had worked for 10-14 years while 9.7% had worked for 15-19 years. Only 4.8% of the respondents had worked for more than 20 years. This shows that majority of the respondents were inexperienced. This also means that there is a lot that these individuals cannot do on their own. Therefore, there is need for proper leadership in-order to develop capacity of subordinates.

4.2 Empirical Study Findings

The findings below are presented on the basis of study objectives and questions, the descriptive statistics were presented before testing hypotheses. The descriptive statistics used were frequencies and percentages, while the inferential statistics used were Pearson correlation and coefficient of determination.

4.2.1 Research Question one: Are there various leadership practices used among SMEs in Uganda?

The first objective of the study was to identify the leadership styles among SMEs in Uganda.

The respondents were requested to answer a number of statements regarding the leadership style in their firms by indicating their agreement using a five-point Likert scale of SD=Strongly Disagree, D=Disagree, N – Neither Agree nor Disagree, A=Agree and SA = Strongly Agree as shown. The responses are summarized in the table below;

Summary statistics on leadership styles in SMEs in Masaka Municipal Market. Table 4: Results for Directive Leadership

QUESTIONS	RESPONSES	FREQUENCY	PERCENT	M	STD DEV
Communication only comes from the leader to subordinates	SD	87	21.6		
	D	87	21.6		
	N	33	8.2		
	A	93	23.1		
	SA	102	25.2		
Our leader makes all the decisions	S D	80	19.8	3.24	1.61
	D	95	23.5		
	N	20	4.9		
	A	68	16.8		
	SA	121	29.9		
We do not question our leader's instructions	SD	75	18.5	3.7	1.407
	D	80	32.4		
	N	34	8.4		
	Agree	96	23.7		
	SA	107	26.4		
our leader rewards subordinates who follow his instructions closely	SD	59	14.6		
	D	82	20.3		
	N	15	3.7		
	A	163	40.3		
	SA	70	17.3		
our leader punishes subordinates who do not follow his instructions	SD	86	21.3		
	D	70	17.3		
	N	31	7.7		

	A	98	24.2		
	SA	112	27.7		
Our leader clearly defines subordinates' roles	SD	18	4.5		
	D	36	9		
	N	33	8.2		
	A	201	50		
	SA	114	28.4		
Our leader closely supervises subordinates' tasks	SD	15	3.8		
	D	39	9.8		
	N	75	18.9		
	A	165	41.7		
	SA	102	25.8	3.76	1.061

The details below interrogate the empirical results through advanced statistical tests to demonstrate the views of the respondents on whether directive leadership was practiced in their enterprises. The details are supported by interview results. Respondents were asked to state whether communication only came from the leader to subordinates. A mean of 3.09 indicated that the majority agreed with the statement. This implied that in more than half of the enterprises that were investigated, communication usually follows a top down approach. In these firms, subordinates wait for instructions from their leaders before they can act on situations. This finding was affirmed in an interview where a respondent noted that the leader always gave instructions on what was to be done and this was supposed to be implemented at whatever cost.

When asked whether leaders made all the decisions, an item mean of 3.24 showed that majority of the respondents were in agreement. Meaning they waited for decisions to be made by the leader before any action was taken. This was further reinforced when a mean of 3.7 was achieved after respondents were asked whether they did not question their leaders' instructions. An interviewee mentioned that subordinates were afraid to question instructions that came from the leader. Leaders rewarded subordinates who followed instructions closely (Mean= 3.58) and punished those that did not follow instructions (Mean=3.46). One interviewee mentioned that failure to follow instructions resulted in the leader barking at the subordinates. When respondents were asked to state whether their leaders had given clearly defined roles and responsibilities to the subordinates, a mean of 3.89 indicated that the majority agreed with the item. One respondent reported that clearly defined roles made performance easier. This implied that in majority of the enterprises that were investigated, leaders assigned clearly defined roles and responsibilities to subordinates.

The last item required the respondents to respond to whether leaders closely supervised subordinates. Item means of 3.76 indicated that the majority agreed. This implied that majority of the enterprises had leaders who closely supervised their subordinates.

The combined mean of indicators is 3.531, which shows that directive leadership is commonly used in SMEs.

Table 5: Results for Coaching Leadership

QUESTIONS	RESPO NSES	FREQUENC Y	PERCENT	MEAN	STD. DEV
Our leader makes sure that we are in support of every decision before it is implemented	SD	57	14.7		
	D	54	14		
	N	87	22.5		
	A	123	31.8		
	SA	66	17.1		
our leader believes we can come up with our	SD	45	11.1		
	D	61	15.1		
	N	70	17.3		

own solutions to problems	A	102	25.2		
	SA	59	14.6		
our leader trusts us to make the best judgment of situations	SD	30	7.4		
	D	84	20.7		
	N	29	7.2		
	A	137	33.8		
	SA	90	22.2		
our leader does not punish us for making mistakes	SD	70	17.3		
	D	56	13.8		
	N	29	7.2		
	A	103	25.4		
	SA	61	15.1		
we take responsibility for what we learn	SD	17	4.2		
	D	43	10.6		
	N	70	28.4		
	A	163	40.3		
	SA	95	23.5		
Our leader defines boundaries in which we are allowed to act on our own	SD	12	3		
	D	51	12.8		
	N	54	13.5		
	Agree	180	45.1		
	SA	102	25.6		
Both leader and subordinates participate in discussions	SD	24	6		
	D	72	17.9		
	N	51	12.7		
	A	144	35.8		
	SA	108	26.9		

The details below interrogate the empirical results through advanced statistical tests to demonstrate the views of the respondents on whether coaching leadership was practiced in their enterprises.

Item one required the respondents to state whether their leaders made sure that they were in support of every decision before it was implemented. Item means of 3.22 indicated that although the majority agreed with the item, a good percentage did not. This means that in some of the enterprises, leaders did not consider support of a decision by subordinates.

When probed on whether leaders believed that subordinates could come up with their own solutions to problems, a mean of 3.15 signified a slight majority in agreement with the statement. This was further affirmed by a mean of 3.71 when respondents were asked whether leaders trusted subordinates to make the best judgment of situations. A mean of 3.4 suggested that majority of the leaders did not punish subordinates when mistakes were made. An interviewer clarified on this statement by mentioning that instead, the leader would go over the mistake with the subordinate and make sure he learned from it. This way, the mistake would not be made again. This means that in most SMEs, the leader was relied upon to show subordinates what needed to be done. When asked about whether subordinates took responsibility for what they learn, an item mean of 3.55 suggested agreement. Leaders defined boundaries in which subordinates were allowed to act on their own (mean= 3.77). This implied that leaders usually gave room to subordinates to act on their own provided they were within the acceptable limits.

The last item asked whether both leaders and subordinates participated in discussions. A mean of 3.62 suggested that majority of the respondents were in agreement with this statement. This was supported by one interviewee who mentioned that they always discussed tasks with leaders to come up with the best ways of executing.

The combined mean of indicators was 3.49, which indicates that coaching leadership is practiced in SMEs in Masaka Municipal

Market

Table 6: Results for supportive Leadership

QUESTIONS	RESPONSES	FREQUENCY	PERCENT	MEAN	STD. DEV
Our leader encourages us to learn new things	SD	76	18.77		
	D	87	21.5		
	N	21	5.2		
	A	109	26.9		
	SA	92	22.7		
Our leader exposes us to new ideas	SD	47	11.6		
	Disagree	89	22		
	N	60	14.8		
	A	90	22.2		
	SA	57	14.1		
Our leader defines targets that we have to meet on our own	SD	32	7.9	3.31	1.547
	D	71	17.5		
	N	43	10.6		
	A	85	21		
	SA	101	24.9		
We discuss our challenges with the leader	SD	29	7.2		
	D	46	11.36		
	N	20	4.9		
	A	191	47.2		
	SA	87	21.5		
Our leader is interested in our lives outside work	SD	69	17		
	D	120	29.6		
	N	36	8.9		
	A	61	15.1		
	SA	45	11.1		
We participate with our leader in decision making	SD	75	18.8		
	D	87	21.8		
	N	54	13.5		
	A	120	30.1		
	SA	63	15.8		
The leader plays a facilitating role	SD	6	1.5		
	D	30	7.6		
	N	72	18.3		
	A	213	54.2		
	SA	72	18.3		

Item one required the respondents to state whether the leader encouraged subordinates to learn new things. A mean of 3.25 showed that majority of the respondents were in agreement. One respondent mentioned “*the leader challenges me every day to learn new skills and be the best version that I can be*”. When asked whether leaders exposed subordinates to new ideas, an item mean of 3.16 suggests a slight majority was in agreement. It is not a big majority because although most leaders were willing to expose their subordinates, they did not always follow through with the programs. One focus group discussion came to a consensus that leaders usually came up with big plans of how they were going to boost employee capacity through exposure. When asked whether leaders came up with targets that subordinates had to meet on their own, a mean of 3.31 suggested that majority of the leaders did. Respondents further reported that they discussed the challenges they faced with their leaders (mean= 3.69). One interviewee explained that the leader was always willing to listen to her about

challenges and come up with solutions together. When asked whether leaders were interested in the lives of subordinates outside work, a mean of 2.8 suggested that this rarely happens. Most of the leaders did not take interest in finding out what was happening in the lives of their subordinates. One leader stated that “I have just realized that I should take more interest in my subordinates lives to help them cope with issues they may be going through” respondents were asked whether both leaders and subordinates participated in decision making. Item means of 3.02 a 50-50 split of results on this item. In some of the SMEs, leaders involved subordinates in decision making, whereas sometimes they did not. Interviews revealed that this was dependent on whether the leader considered the employee competent to do so.

The last item asked respondents whether leaders in their enterprises played a facilitating role. The item mean was 3.8, indicating that majority of the respondents were in agreement.

The combined mean of indicators was 3.29 which shows that supportive leadership is also practiced in SMEs in Masaka Municipal market

Table 7: Results for Delegating Leadership

QUESTIONS	RESPONSES	FREQUENCY	PERCENT	MEAN	STD.DEV
Our leader lets us make our own decisions	SD	107	26.4	2.52	1.051
	D	80	19.8		
	N	29	7.2		
	A	67	16.5		
	SA	48	11.9		
We are responsible for the decisions we make	SD	86	21.2	2.01	1.405
	D	74	18.3		
	N	92	22.7		
	A	61	15.1		
	SA	31	7.6		
our leader does not closely supervise our activities	SD	122	30.1	2.3	1.768
	D	90	22.2		
	N	23	5.7		
	A	50	12.4		
	SA	42	10.4		
We do not seek guidance from the leader on how to handle situations	SD	165	41.7	2.10	1.382
	D	99	25		
	N	45	11.4		
	A	66	16.7		
	SA	21	5.3		
We define our own tasks	SD	129	32.8	2.09	1.046
	D	159	40.5		
	N	54	13.7		
	A	42	10.7		
	SA	9	2.3		

The details below demonstrate whether there is delegating leadership in SMEs in Uganda. The results are supported by qualitative data.

Item one required the respondents to state whether the leader let subordinates make their own decisions. Item mean of 2.52 shows that majority of the respondents disagreed with the statement. Many interviewees reported not being comfortable with such an arrangement where subordinates had the power to make their own decisions. This shows that in SMEs, leaders

rarely delegate all decision responsibility. Respondents were also asked whether they were responsible for the decisions that they made. The mean of responses was 2.01 which indicated disagreement with the statement. In most SMEs, the leader remained responsible for the decisions that were made.

Item three required the respondents to state whether their leaders did not closely supervise their activities. The item mean was 2.3 signifying disagreement with the statement. In the interviews, it was mentioned that leaders usually did not let subordinates go unsupervised. Respondents were also asked whether they didn't seek guidance from leaders on how to handle situations. To this, the mean was 2.19. this exposed disagreement with the statement. The last item required respondents to show whether they defined their own tasks at work. A mean of 2.09 indicated disagreement. Tasks were usually defined by the leader and implemented by the subordinates.

The combined mean of 2.22 shows that delegating leadership was rarely practiced among SMEs in Masaka Municipal Market

4.2.2 Research question two: Are Small and Medium Enterprises in Uganda growing? Summary statistics on Growth in SMEs in Masaka Municipal Market.

Statements in these questions were rated on the 5 point Likert scale ranging from 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree and 5 = strongly agree.

Table 8: Results for Growth of SMEs

QUESTIONS	RESPONSES	FREQUENCY	PERCENT	MEAN	STD.DEV
We put more effort in our work	SD	3	0.7		
	D	36	9		
	N	54	13.4		
	A	198	49.3		
	SA	111	27.6		
We get more work done	SD	21	5.2		
	D	76	18.8		
	N	44	10.9		
	A	97	24		
	SA	75	18.5		
Our company has more output	SD	17	4.2		
	D	56	13.8		
	N	30	7.4		
	A	138	34.1		
	SA	97	24		
Our company makes more money	SD	13	3.2		
	D	47	11.6		
	N	78	19.3		
	A	100	24.7		
	SA	62	15.3		
Our company spends less	SD	58	14.3		
	D	93	23		
	N	29	7.2		
	A	70	17.3		
	SA	29	7.16		
Our company produces	SD	21	5.2	3.23	1.011
new ideas	D	53	13.1		
	N	34	8.4		

	A	162	40		
	SA	95	23.5		
Our company has new solutions	SD	3	8		
	D	42	10.6		
	N	84	21.2		
	A	186	47		
	SA	81	20.5		
Our products and services keep improving	SD	21	5.3		
	D	27	6.9		
	N	93	23.7		
	A	165	42		
	SA	87	22.1		

The details below interrogate the empirical results through advanced statistical tests to demonstrate the views of the respondents on whether they thought there was growth in their enterprises. The details are supported by interview results.

Item one asked the respondents to state whether they put more effort in their work. A mean of 3.94 signified strong agreement to the statement. This was supported in most interviews where respondents claimed they were working harder at their enterprises. When asked whether they actually got more done at work, a mean of 3.52 suggested that most respondents were getting more accomplishments at work. In the interviews, they reported finishing tasks faster than they had done in the past. Respondents were also asked whether the company now had more output. To this, most of them were in agreement (mean=3.73).

Respondents were required to respond to whether the business was making more money. (mean=3.66) showed that respondents were convinced the business was making more money. In one interview, it was mentioned that *“in the past, we used not to make any profits, now we have been consistently making money for a number of years”*. However, when asked whether the business now spent less money, a mean of 2.95 signified disagreement. This was explained that as a business develops, the budgets and costs also increase. When asked whether they thought that the business produced new ideas, responses had a mean of 3.23, this showed agreement with the statement. tis was supported by a mean of 3.76 when respondents were asked whether the businesses had new solutions. Lastly, respondents were asked whether the products and services offered by the business had been improving. A mean of 3.69 showed that there had been improvements in the products and services. One interviewee explained that their services had been getting better and better with time.

A combined mean of 3.56 indicates growth among SMEs in Masak a Municipal Market

Table 9: Results for Institutional Culture

QUESTIONS	RESPONSES	FREQUENCY	PERCENT	MEAN	STD.DEV
We have clearly written policies that govern behavior at our firm	SD	12	3	3.98	1.031
	D	33	8.3		
	N	45	11.3		
	A	171	42.6		
	SA	138	34.6		
We have unwritten norms at our workplace	SD	23	5.7	3.98	1.031
	D	45	11.1		
	N	77	19		
	A	102	25.2		

	SA	67	16.5		
Leaders uphold these company norms	SD	27	6.7	3.66	1.097
	D	63	15.6		
	N	40	9.9		
	A	109	26.9		
	SA	82	20.3		
leaders operate according to the written policies	SD	34	8.4	3.92	1.422
	D	29	7.2		
	N	70	17.3		
	A	131	32.4		
	SA	82	20.3		
we have a certain company culture	SD	12	3	3.87	1.059
	D	42	10.5		
	N	54	13.5		
	A	168	42.1		
	SA	123	30.8		
our Company culture affects how our leaders behaves toward subordinates	SD	30	7.6	3.63	1.155
	D	42	10.7		
	N	54	13.7		
	A	183	46.6		
	SA	84	21.4		

The details below interrogate the empirical results through advanced statistical tests to demonstrate the views of the respondents on whether there was a culture in their enterprise that affected how the leader behaved towards subordinates. The details are supported by interviews result. Statements in these questions were rated on the 5 point Likert scale ranging from 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree and 5 = strongly agree.

Item one required the respondents to state whether there were clearly written policies that governed behavior at the enterprise. The item mean of 3.98 signified agreement with the statement. Only 3% strongly disagreed, 8.3% disagreed, 11.3% neither agreed nor disagreed, 42.6% agreed and 34.6% strongly agreed with the statement. This shows that many of the enterprises had written governing policies in place.

Respondents were also asked whether there were unwritten norms at the enterprises. A mean of 3.72 indicated majority agreement to the statement. Qualitative data further showed that many SMEs relied a lot on unwritten norms. “people just somehow new how to behave towards each other, and everyone was expected to behave a certain way”. When asked whether the leaders upheld these company norms, the item mean was 3.66 signifying agreement. Furthermore, a mean of 3.92 implied agreement to the statement that leaders operated according to these company norms. One interviewee mentioned that leaders were in fact strong proponents of these company norms at their business.

Majority of the respondents agreed that they had developed a certain company culture(mean= 3.87). Lastly, respondents were asked whether the company culture affected how the leader behaved towards subordinates. Item means of 3.63 suggested majority of the respondents agreed with this statement. In one discussion, it was highlighted that culture was key to how leaders behaved. If the leader’s behavior was consistent with the culture of the company, it was bound to yield better response from subordinates.

4.2.3 Research question three: Is there a relationship between leadership style and growth of Small and Medium Enterprises in Uganda?

To answer this question, a correlation of leadership styles and enterprise growth was done to find out the relationships.

Directive leadership

Table 10: Correlation of Directive Leadership and SME Growth

		Correlations	
		Directive leadership	Enterprise growth
Directive leadership	Pearson Correlation	1	.259**
	Sig. (2-tailed)		.000
	N	405	402
Enterprise growth	Pearson Correlation	**	1
	Sig. (2-tailed)	.259	.000
	N	402	402

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

The results show that the correlation coefficient is 0.259 and its significance level is 0.01. This implied that directive leadership in SMEs and enterprise growth have a positive relationship. Therefore, the hypothesis that was earlier postulated is upheld.

Regression was further done to determine the strength of the relationship between directive leadership and enterprise growth. Results are presented in the table below.

Table 11: Regression Analysis showing relationship between directive leadership and SME growth

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.259 ^a	.067	.065	.79912

a. Predictors: (Constant), Directive leadership

The coefficient of determination (Adjusted R square) value is 0.065; this implied that directive leadership explained only 6.5% of enterprise growth. From all the results the hypothesis earlier postulated stated that there is a positive relationship between directive leadership and enterprise growth is therefore upheld.

Coaching leadership

Table 12: Correlation of Coaching Leadership and SME growth

		Correlations	
		Coaching leadership	Enterprise growth
Coaching leadership	Pearson Correlation	1	.415**
	Sig. (2-tailed)		.000
	N	405	402
Enterprise growth	Pearson Correlation	**	1
	Sig. (2-tailed)	.000	
	N	402	402

.415

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

The results show that the correlation coefficient is 0.415 and its significance level 0.01. This implied that coaching leadership in SMEs and enterprise growth have a positive relationship. Therefore, the hypothesis that was earlier postulated is upheld.

Regression was further done to determine the strength of the relationship between coaching leadership and enterprise growth. Results are presented in the table below.

Table 13: Regression Analysis of coaching leadership and SME growth

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.415 ^a	.173	.170	.75262

a. Predictors: (Constant), Coaching leadership

The coefficient of determination (Adjusted R square) value is 0.17; this implied that coaching leadership explained only 17% of enterprise growth. From all the results the hypothesis earlier postulated stated that there is a positive relationship between coaching leadership and enterprise growth is therefore upheld.

Supportive leadership

Table 14: Correlation of Supportive leadership and SME growth

		Correlations	
Enterprise growth	Pearson Correlation	Enterprise growth	Supportive leadership
	Sig. (2-tailed)	1	.287**
	N	402	402
Supportive leadership	Pearson Correlation	**	1
	Sig. (2-tailed)	.287	.000
	N	402	402

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

The results show that the correlation coefficient is low at 0.287 and its significance level 0.01. This implied that supportive leadership in SMEs and enterprise growth have a positive significant relationship. Therefore, the hypothesis that was earlier postulated is upheld. Regression was further done to determine the strength of the relationship between supportive leadership and enterprise growth. Results are presented in the table below

Table 15: Regression Analysis of Supportive leadership and SME growth

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.287 ^a	.082	.080	.79263

a. Predictors: (Constant), Supportive leadership

The coefficient of determination (Adjusted R square) value is 0.080; this implied that supportive leadership explained only 8% of enterprise growth. From all the results the hypothesis earlier postulated stated that there is a positive relationship between supportive leadership and enterprise growth is therefore upheld.

Delegating leadership

Table 16: Correlation of Delegating leadership and SME growth

		Correlations	
Enterprise growth	Pearson Correlation	Enterprise growth	Delegating leadership
	Sig. (2-tailed)	1	-.105*
	N	402	402

Delegating leadership	Pearson Correlation	-.105 *	1
	Sig. (2-tailed)	.035	
	N	402	402

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

The results show that the correlation coefficient is negative at -0.105 and its significance level 0.05. This implied that delegating leadership in SMEs and enterprise growth have a negative relationship. Therefore, the hypothesis that was earlier postulated is not upheld.

Regression was further done to determine the strength of the relationship between delegating leadership and enterprise growth. Results are presented in the table below.

Table 17: Regression Analysis of Delegating Leadership and SME growth

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.105 ^a	.011	.009	.82279

a. Predictors: (Constant), Delegating leadership

The coefficient of determination (Adjusted R square) value is 0.009; this implied that directive leadership explained only 0.9% of decline in enterprise growth. From all the results the hypothesis earlier postulated stated that there is a relationship between delegating leadership and enterprise growth is upheld.

5.0 Discussion of the findings.

The discussion of the findings according to the respective research objectives were as follows;

5.1 To analyze the leadership styles used among SMEs in Uganda.

The respondents were asked a variety of questions and the findings indicated that there were various leadership styles used among SMEs in Masaka Municipal Market. The alternative hypothesis earlier postulated was upheld.

Findings revealed that there is a mixture of leadership practices among SMEs with leaders employing bits of all four leadership practices. Directive leadership and coaching leadership are the most commonly used styles of leadership, followed by supportive leadership. Delegating leadership is used at a very small extent among SMEs. These findings were to a good extent consistent with what the researcher expected to find in the research. The results support the claim by (Pallas, 2012, p. 5) that the directive leadership style is the most commonly used style around the world. She explains that this is because it is easy to learn and requires the fewest skills. (Hersey & Blanchard, 1988, p. 171) explained that there is no best way to influence people and that the leadership style chosen by a leader depends on the readiness level of the people he is trying to influence. This explains the findings of different leadership styles in the same enterprise. The delegating leadership style was found to be uncommon among the SMEs. Most leaders do not practice this kind of leadership. This is because they think subordinates cannot do the job to expectation if left to operate alone. Most leaders have not invested enough in training subordinates to handle tasks on their own. This is one of the reasons delegating leadership is not commonly practiced.

5.2 To examine the growth trends of SMEs in Uganda.

Respondents were asked questions to show whether there had been growth in their enterprises. The indicators investigated were; increase in productivity, increase in profitability and increase in innovation. Results showed that most of the SMEs investigated reported growth over the period, with increase in productivity, profitability and innovation all reported. The study concurred with (Financial Sector Deepening, 2015, p. 37) that reported that majority of SMEs in Uganda reported increase in profitability and productivity over the past few years.

Some of the respondents revealed that they had experienced growth at different times, depending on the interventions that the

leaders had put in place. Some of the interventions had led to reduction in operating costs therefore increasing profitability, some made workers more productive whereas others increased innovation among employees.

5.3 To explore the relationship between leadership practices and SMEs growth in Uganda.

Findings show that there is a positive significant relationship between leadership practices and growth of SMEs. This is in line with what the researcher anticipated to find, since leadership is such an important aspect of any SME. This concurs with (Bolden, 2001, p. 4) who suggested that leadership is very central to business success in SMEs. Respondents asserted that directive leadership is a necessity in that it helps “get the job done”. Directive leadership entails clearly defining roles so that subordinates know exactly what is required of them. This makes it easier for them to meet expectations and therefore leads to increase in productivity and consequently profitability. Directive leadership was reported to be the most effective when it came to crisis times. In these situations, a leader has to take charge of the situation, clearly defining roles and closely supervising subordinates to perform to expectations. Although respondents also noted that it leaves a heavy workload on the part of the leader since they have to spend a lot of time directing tasks hence failing to focus on “the bigger picture”. It was also noted that since directive leadership offers little room for subordinates to communicate challenges to leaders, sometimes innovative ideas are missed and therefore it stifled innovation. Directive leadership was reported to work best on low level, less skilled employees who only responded to assigned tasks. However, when it came to senior members in the organizations, it was not regarded as the best style of leadership.

Respondents suggested that coaching leadership contributed to growth of SMEs in a way that it empowered subordinates and helped them grow in their roles. This was not seen to yield the best growth results in the short term, but it was considered very effective in ensuring long term growth. This was because it gave time to subordinates to fully understand and appreciate their roles, therefore they performed better with time. This finding is in line with (Lorinkova, Pearsall, & Sims, 2012, p. 36) who investigated the influence of coaching and directive leadership on the performance of newly formed teams over time and found that although directive leadership improved performance quickly, performance later plateaued, whereas coaching leadership improved subordinates’ learning and cognitive coordination that helped them improve over time. This in turn leads to sustained growth trends. Leaders also use the coaching style to encourage innovation by empowering employees to take initiative.

Supportive leadership was found to have a positive relationship with enterprise growth. A leader who practiced the supportive style of leadership was often viewed by subordinates as helpful. This made it possible for employees to perform better because the leader made it easy. This was through encouragement and sometimes offering help on certain tasks. In cases where the leader only provided oversight for the activities performed by subordinates, there had been noticeable increase in innovation as employees had the liberty to come up with impressive ideas. In most cases, leaders shared new ideas with subordinates and encouraged them to exploit possibilities, which increased innovation in the enterprises. Another form of supportive leadership was through presence of the leader. Respondents reported that they had to be easily reachable to subordinates in order to make it easy for them to ask for help. This was through activities such as regularly scheduled meetings. Some respondents reported that supportive leadership went beyond work-related tasks and leaders had to be there for subordinates even in their lives to support them during times of need. This was seen as a way of ensuring that productivity was not affected by other external issues.

Although delegating is considered a key factor in leadership, delegating leadership in SMEs was found to have a negative relationship with enterprise growth. This came as a surprise to the researcher. Not only is it rarely practiced, majority of respondents also thought delegating leadership negatively affected enterprise growth. This finding is in agreement with (Sim, Ansari, & Jantan, 2004, p. 3) and (Bass, 1990) who noted that delegation remains a relatively unexplored management option despite evidence of its importance to organization effectiveness. This is attributed to the leaders’ lack of trust for subordinates to handle tasks autonomously. One factor that led to this was the little emphasis given to employee training and development. Few of the SMEs investigated had human resource training programs in place.

The positive effect of directive, supportive and coaching leadership on growth of SMEs implies that leaders can choose from a variety of styles through which they can manage their enterprises. Delegating leadership having a negative relationship with growth means that leaders should be cautious when employing this style of leadership as there are few situations where it would be appropriate. Since subordinates are usually not ready for delegation, leaders who tried this style were considered incompetent and unserious about their roles.

6.0 Conclusions

6.1 Leadership practices among SMEs in Uganda

There are various leadership practices used by leaders among SMEs in Uganda. Findings showed that directive, coaching, supportive and delegating leadership styles were all used to some extent. Directive style is the most commonly used style, followed by supportive and coaching styles. Delegating leadership style is uncommon among SMEs although sometimes it is used.

6.2 Growth of SMEs in Uganda

SMEs in Uganda experienced significant growth over the period. This was signified by increase in productivity, profitability and innovation. Qualitative findings revealed that growth was not continuous and that firms experienced both periods of high growth and periods of little growth. Sometimes enterprises did not grow at all for a certain period only to resume their growth trends later. Also, the different indicators of growth increased separately. At one point, it was a high increase in profitability whereas the next would see a jump in the level of innovation within an enterprise.

6.3 Leadership practices and SMEs growth in Uganda.

It was revealed that leadership style influences growth of enterprises in Masaka Municipal Market. Each style affected the growth indicators differently. Qualitative data revealed that Directive leadership had a bigger impact on both productivity and profitability, whereas it did not transform to significant increment in the level of innovation. However, coaching and supportive leadership which empowered employees to be more innovative was reported to have little effect on increasing profitability of the enterprise. It was concluded that the best style of leadership depended on the situation at hand and what the leader was trying to achieve at that particular time. The leader had to be mindful of the subordinate's readiness. Most employees in SMEs were not ready to experience delegating leadership and thus regarded it as an unsuitable style of leadership. Many of them considered a leader weak if he employed the delegating style.

7.0 Recommendations

Leaders should be more deliberate with the style of leadership they employ among the SMEs. It is important that they study the situation including the ability and readiness of their subordinates so that they can employ the right style of leadership. It is important that leaders understand the subordinate's maturity level and determine how to deal with them accordingly. One style of leadership may be appealing to one group of subordinates yet it is frowned upon by another.

Flexibility is also important on the part of the leader. He should be able to switch from one style to another depending on the changing situation. Leaders should therefore invest in mastering the art of the different leadership style so that they are ready to provide the necessary leadership. In most cases, they will be required to demonstrate a mix of two or more leadership styles.

Leaders should also put more emphasis on training and developing their subordinates before transforming from one style of leadership to another. Continuous training and appraisal of subordinates makes it possible for employees to appreciate changing demands from their leaders. This in turn makes it easy for the leader to use other styles of leadership.

Government should consider incorporating leadership as a training course in the preparation of the national labor force. Since SMEs are considered to be a big contributor to national development, it is important that they are availed with a talent pool of well-trained leaders who can help stimulate the required growth.

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