

**SMALL-SCALE ENTREPRENEURS' SUCCESS IN NAKAWA DIVISION
KAMPALA DISTRICT UGANDA**

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Abstract

The study established the extent to which 386 out of 2200 purposively selected Small-Scale Entrepreneurs (SSEs) in Nakawa division Kampala District are successful in their ventures, using descriptive comparative and cross sectional survey designs. By means of a self made questionnaire data was collected to answer three questions; 1) profile of SSEs; 2) level of success; and 3) differences in levels of success. Data analysis using frequencies, means, t-test and ANOVA, revealed that more than 56% of SSEs in Nakawa division are men, majority are graduates, below 30 years, 63% are sole proprietorships, 50% employ less than 5 workers and 67% have been in business for less than five years. There was a moderate level of success internally (mean = 3.06) and externally (mean = 3.27). Success differed significantly according to; gender (male > female), education level (graduates > non graduates), age (50 and above > below50), business form (joint ventures > sole proprietorship ventures) and years in business (5years or above > less than 5years). It was concluded that SSEs are less successful internally and more successful externally. Male entrepreneurs are more likely to succeed than females. Entrepreneurs who are educated, preferably up to a graduate level are more likely to succeed than those who are not. Younger entrepreneurs have less chances of success than old ones. Entrepreneurs with joint ventures are more likely to succeed than sole

proprietorships. The more years one manages a venture the more chances of success and vice versa. It was recommended that there is need to promote education of SSEs on formation of joint ventures; and entrepreneurial skills be made mandatory in institutions' curricula. Avenues to increase SSEs revenue and profits should be undertaken, e.g. forming strong associations, looking for bigger markets, reducing taxes and license fees.

Key Words: *Success, small-scale entrepreneur, venture, enterprise, business, entrepreneur*

Background

In all countries entrepreneurs are catalysts for economic growth through innovation and job creation (Kelly et al, 2011). They are therefore critical to the development and well-being of society. Therefore, understanding their success is critical for proper policy guidelines. In Uganda, local entrepreneurs have not been performing well since colonial days, as most enterprises were in the hands of foreigners. After independence, a few Ugandans in Kampala started small-scale enterprises (SSE) for profit (Musiime, 2007), leaving medium and large-scale enterprises to Asians. Musiime (2007) noted that Ugandan small-scale entrepreneurs (SSEs) lacked skills in business know-how, bookkeeping, and raising capital, which limited their success. This became more vivid in 1972, when Asians were expelled, local entrepreneurs who took or opened up shops in Kampala hardly survived for a year and the country was dragged into business crisis (Musiime, 2007). Of recent, the Government has encouraged entrepreneurs by reducing interest rates, taxes on imported capital goods and allocation of gazetted areas for SSEs (Bbumba, 2009).

Many theories explain factors affecting success of entrepreneurs; for example environmental and individual schools of thought by Hanns & Freeman, 1977 (in Revander & Racculla, 2001). The Environmental school asserts that, entrepreneurial performances that lead to success are affected by external factors, while the individual school focuses on personality traits shared among successful entrepreneurs such as social skills, motivation, need for achievement, *Journal of Small business and Enterprise Development*, 7(4): 295-304.

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