

# **SMALL AND MEDIUM ENTERPRISES PERFORMANCE AND JOB CREATION IN KABALE MUNICIPALITY.**

**BY**

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## **ABSTRACT**

The study was about the relationship between Small and Medium Enterprises Performance and Job creation in Kabale municipality. The objectives of the study were to examine ways through which SMEs performance affects job creation in the area, to establish the relationship between SMEs performance and job creation in Kabale municipality and to assess the challenges hindering SMEs in creating jobs in Kabale municipality, across-sectional design was used depending on the characteristics of the study. A sample of 208 respondents was used, data was collected using questionnaire directed to the owners of SMEs in Kabale Municipality. Data was analyzed using frequencies where percentages were derived for easy interpretation, and statistical package for scientific research was used to investigate the relationship between small scale enterprises and job creation. Findings show that SMEs are very contributive in providing self-job. Small and Medium Enterprises help in providing market for agricultural output (raw materials like cabbages, tomatoes). Small-scale enterprises were essential in utilizing the local resources like herbs, firewood, timber, scrap, etc.); these enterprises have other contributions such as food production like hotels which helps in providing food for other consumers. Regarding job creation by small scale and medium enterprises, the study found out micro enterprise to reasonable extent fair in creating job to Ugandans. This was indicated by a strong positive relationship between two variables as indicated by correlation coefficient of 1.58. SMEs however lack start-up capital, high operating expenses in terms of license, taxes, wages, etc. which has reduced profits made by business operators and hence making some to quit the occupation hence increasing jobs in Kabale municipality. The study concluded that SMEs mostly created jobs for individuals. From their business knowledge, skills and business partners, competition for jobs associated with social responsibilities encouraged many people to start businesses; the kind of activities engaged in by the businesses have enabled them to absorb the labor force through the provision of job opportunities. Recommendations was that Small scale business operators should widen their markets so as to reduce competition and this should be done by integrating market information into the planning process because marketing is the life blood of a competitive marketplace as it is driven towards the needs and desires of customers in the production decisions.