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Provision of Managerial Skills by Micro Credit Institutions and Sustainability of MSMEs During COVID-19 Pandemic in Kigezi Region South Western Uganda

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Abstract: The study looked at how the services provided by microcredit institutions affected the viability of micro, small, and medium-sized businesses in the Kigezi region of South-Western Uganda during the COVID-19 pandemic. The specific objectives were to: Examine the impact of microcredit institutions' provision of managerial skills on MSMEs' ability to survive the COVID-19 pandemic in Uganda's Kigezi Sub-Region. The study was carried out in Uganda's Kigezi region. Six districts make up the region: Kabale, Kisoro, Kanungu, Rukungiri, Rubanda, and Rukiga. Southwest Uganda is home to the Kigezi region. Yamane's sampling formulas were used to calculate the sample size, which was based on a 5% level of precision. Descriptive and cross-sectional surveys, as well as an additional interview, were used in the study to collect data from various MSMEs records and panel procedures. A cluster sampling technique was used to choose the respondents from the businesses. Enterprises' owners and managers were the units of inquiry due to their importance as custodians of information on all the activities taking place in their respective MSMEs. The research population was separated into clusters (areas or districts) and the appropriate sample was recruited using simple random sampling. The study used an interviewer-administered structured questionnaire to collect the data. Results show that training in managerial skills has a significant impact on MSMEs' sustainability The findings demonstrate a statistically moderately significant and favorable association between microcredit institutions' provision of managerial skills and the viability of MSMEs (r=0.479**, p0.01). The null hypothesis was thus disproved. This suggests that microcredit institutions' provision of managerial skills has a beneficial impact on the viability of MSMEs during the COVID-19 epidemic in Uganda's Kigezi Sub-Region. The researchers advise emphasizing training (managerial skills), especially in financial management to support their clients in regularly improving their business performance, and most cases should be tailored toward the training needs of the clients. The study finds that increasing Saving Accounts and Training in Managerial Skills will increase Micro-Credit Institutions Services. The researchers advise using various marketing tactics as well as client sensitization.

Keywords: Managerial Skills, Micro-Credit Institution's Services, Sustainability, Micro, Small and Medium Scale Enterprises, COVID-19 Pandemic, Kigezi Region, South Western Uganda

1. Introduction

Micro, Small, and Medium-Sized Enterprises (MSMEs) are typically thought of as companies with clear goals and locations. Small and medium-sized businesses (SMEs), on the other hand, are described by Prah, [23] as being a key component of the wider development equation and acting as an engine of growth and job creation in emerging markets. MSMEs can play a significant role in prospering, internationally competitive sectors by producing the significant numbers of jobs required to combat poverty. MSMEs have the potential to develop into major corporations that can alter the landscape locally and carve out a place globally. However, even if businesses stay small or medium-sized, they can still offer their employees significant earning potential and produce additional tax revenues for government services. They achieve this by expanding their output and revenues while delivering ever-more-valuable products and services. The lack of access to financial services including deposit and credit facilities and other financial services, however, hinders SMEs' activities globally Duvendack et al, [10].

Agaba. M., Kaaya et al [3] states that the Uganda Bureau of Statistics has decided to classify MSMEs based on the quantity of employees, the amount of capital invested, and the yearly turnover. Micro firms are defined as companies with a total workforce of no more than five employees and assets of no more than UGX: 10 million. Small businesses, on the other hand, employ between 5 and 49 people and have total assets between UGX 10 million and UGX 100 million. Therefore, the medium-sized businesses are those that employ between 50 and 100 people and have total assets of at least UGX 100 million but not more than UGX 360 million.

The majority of MSMEs, according to the Ministry of Finance, Planning and Economic Development (MFPED), employ fewer than 20 people. A "Micro Enterprise" is defined by MFPED as a business that employs up to four people and has an annual revenue of 12 million Uganda shillings. A "Small Enterprise" is defined as a business that employs between five and fifty people and has an annual revenue or asset turnover of up to 360 million Uganda shillings. A "Medium Enterprise" is defined as a business that employs more than fifty people Abdinor [1].

Agaba. M., Kaaya et al [3] Micro, Small, and Medium-Sized Enterprises (MSMEs) make up 90% of the private sector in Uganda and account for around 18% of its GDP, making them the foundation of the nation's economy. MSMEs are also largely responsible for employment in Uganda. The 2015 MSME policy acknowledges the significant contribution that MSMEs make to technical innovation and innovative goods, noting that these businesses employ 2.5 million people. MSMEs are therefore seen as being extremely important and having a big potential to improve Uganda's economy. MSMEs continue to encounter institutional, legal, and attitude barriers that prevent development and survival despite their economic contribution.

According to recent data, MSME growth is mostly hampered by a lack of readily available, inexpensive short- and long-term funding. For instance, Lakuma, C. P., Marty, *et al* [15] demonstrates that only 10% of Uganda's MSMEs have access to bank loans or lines of credit, placing them under more credit constraint than major businesses.

Most crucially, the economic crisis brought on by the COVID-19 pandemic breakout has made this particular problem worse. Most borrowers are reluctant to borrow because of the COVID-19-induced uncertainty and its corresponding control measures. Lenders are also wary of lending to MSMEs because of the rise in their level of risk. With 69% of enterprises reporting a decrease in access to finance, a recent study by the Economic Policy Research Centre reveals that COVID-19 has worsened credit and liquidity limitations among MSMEs relative to large businesses. Even worse, 65% of MSMEs with outstanding debt reported that the risk linked with COVID-19 has negatively impacted their sustainability and capacity to pay off debt Abiola, [2].

Three-quarters of the enterprises polled by the Economic Policy Research Centre (EPRC) in Uganda have made layoffs as a result of the risks posed by COVID-19 and the containment efforts that have followed, according to the study. In fact, the findings imply that lockdown measures have more than halved commercial activity. In terms of industries, we find that access to markets for outputs and inputs has been most restricted for firms in the agricultural sector as a result of control measures such transportation limitations, quarantine, social segregation, and bans on weekly markets. Bjorvatn, & Tungodden, [7].

In low- and middle-income nations like Uganda, the COVID-19 pandemic may have the most severe and far-reaching social, economic, and health effects Agaba, Kaaya et al [3]. Ugandan SMEs have been affected by the COVID-19 Pandemic. Consumer spending is declining as a result of the quarantines, travel restrictions, market lockdowns, ban on public transportation, and social-distancing measures. Businesses like restaurants, supermarkets, marketplaces, hotels, tour operators, pubs, and gyms that depend on physical venues and human connection are seeing a sharp decline in revenue. These businesses might experience a cash flow crisis as a result of decreased revenue. From China, many small enterprises import inputs or goods for sale. There will be a shortage of these. Public transportation restrictions will also interfere with domestic supply chains. Many businesses are having trouble paying their employees and fulfilling their other financial responsibilities as a result of declining cash flows. Additionally, because financial institutions are less confident in the ability of the enterprises to repay loans, the availability of credit is decreasing as a result of the increased uncertainty Hari, [12].

Since the majority of the nation's micro and small businesses ceased operations because they were unable to implement preventative health measures like the provision of on-site housing for employees, sanitizers, and equipment for customers to wash their hands, MSMEs have seen a greater decline in business activity. For enterprises that stayed open, these precautionary actions led to an increase in operating costs. As a result, the majority of small and medium-sized firms, notably those in the service industry, forecast that if the pandemic continues and the current restrictions are upheld, they will have to close in one to three months. Agaba and Kaaya [3].

The government developed stimulus packages, such as the credit facility advanced to the Uganda Development Bank (UDB), to boost MSMEs' investments in import replacement and export promotion as well as stimulate businesses active in the tourism sector, to ensure MSMEs' recovery from the effects of the pandemic. Other initiatives include lending money to Savings and Credit Cooperatives (SACCOs) through the Microfinance Support Centre, as well as providing affordable financing to underserved populations including women and young people through development programNkundabanyanga, [20].

As an existential crisis, COVID-19 raises difficult questions in this regard, including whether these packages can adequately meet financing needs given that the precise financing gap is unknown, whether target beneficiaries are aware of these packages, whether they meet the eligibility requirements, and whether they have the necessary paperwork to apply for them (accessibility). Additionally, are the few enterprises that have accessed these packages not going to regress after receiving them (sustainability). Additionally, the majority of the beneficiary businesses lack the necessary financial expertise and know-how to effectively employ these packages and be able to repay within the loan period and adhere to other credit requirements. Auzzir Z., Haigh, *et al,* [6].

For instance, as already mentioned, MSMEs make up the largest portion of the private sector; nevertheless, little is known about these businesses, including who they are, how many there are, where they are located, who owns them, what they do, and the actual financing gap. Furthermore, it is unknown how much of the MSME finance gap has been caused by the epidemic. Thus, the questions regarding the sufficiency of these packages are justified. Abiola [8].

Additionally, applicants are required to be registered and must have collateral security depending on the project's specifics and risk, with the current valuation of the assets, in accordance with UDB's requirements for loans directed at businesses engaged in the production of essential goods and services for import replacement and export promotion. Business plans, credit reference bureau and audit reports, as well as evidence of compliance with the National Social Security Fund (NSSF), are additional documentation needed for loan applications that the majority of MSMEs in Uganda lack. Dahab, *et al* [9].

In the past, there have been numerous external environmental crises that have had a significant negative impact on MSMEs all over the world, including the 1953 Great Floods in Holland, Hurricane Katrina in 2005, the 2011 Floods in Thailand, the 2011 Great East Japan Earthquake, the 2011 Japan Tsunami, and Hurricane Harvey in 2017. In addition to COVID-19, numerous epidemic outbreaks, including SARS, MERS, the 2009 H1N1 swine flu pandemic, the 2014 Ebola outbreak, avian influenza, the Salmonella infantis outbreak, and the ZIKA outbreak, have occurred globally Auzzir Z., Haigh, *et a*l [6]. These crises significantly affect society, the economy, and MSMEs; in addition, they not only result in financial losses but also pose a serious threat to company continuity. Further, Nkundabanyanga, [19] contend that supply chain disruptions brought on by natural catastrophes happen across the globe, and in cases of substantial disruptions, MSMEs companies suffer even if they are not directly impacted.

The highest number of jobs required to eliminate poverty are created by micro, small, and medium-sized firms (MSMEs), which are recognized as the most powerful economic forces in the developing world. MSMEs are the engine for job creation and growth in emerging economies. Most households in developing areas like Kabale engage in micro, small, and medium-sized business operations as a means of generating income and promoting economic development. Even though MSMEs in Kabale have made great contributions, the majority of them are on the verge of closing. Therefore, it is necessary to look at the reasons why businesses fail and how they might be fixed. Agaba and Kaaya [3].

Due to the concerns linked with COVID-19, unemployment in Kabale has gotten worse, and according to a preliminary survey done by researchers in November 2020, some MSMEs have laid off or would lay off some employees permanently if the COVID-19 threat persisted for the following six months. The MSMEs questioned in Kabale also highlighted additional unsettling worries, such as decreased output and productivity as well as financing and liquidity restrictions, in addition to the lower demand and greater prices of safety measures. Indeed, credit and liquidity restrictions among Kigezi's micro, small, and medium-sized companies (MSMEs) have been made worse by COVID-19-related hazards.

Many SMEs struggle to comply with the local government agencies' COVID-19 prevention standards. Additionally, some local governments place the full responsibility of coronavirus prevention on corporations. If only one COVID-19 case cluster is found in a company, the company was shut down for a longer amount of time. Third, a deficient logistics and supply chain: Closures of upstream SMEs have an impact on downstream factories because they depend on the components those companies make for SMEs, Agaba and Kaaya [3]. The majority of households in South Western Uganda's Kigezi region engage in micro, small, and medium-sized business activities as a means of subsisting and promoting economic development. Even though MSMEs in Kabale have made great contributions, most of them are on the verge of closing down during COVID-19.

The objective of the study was to investigate the effect of the provision of Managerial skills by microcredit institutions on the sustainability of MSMEs during the COVID-19 pandemic in Kigezi Sub-Region Uganda.

2. Literature Review

Mhidini, [17] emphasizes the significance of human capital from a growth perspective and also contend that it increases labor force productivity and technological receptivity. The study suggests that determining returns to capital depends on one's knowledge and skills. Low levels of human capital are prevalent in most developing nations, especially in the informal economy, where those with limited educational opportunities may view entrepreneurship as their only remaining option for making a living.

Many non-governmental organizations (NGOs) provide business training to small and medium-sized business owners in developing nations, however there are few academic research that look at the relationship between entrepreneurship training and firm performance. Whether practical training in company management, such as cost control, accounting, market analysis, marketing, and pricing strategies, can encourage investments in workable initiatives and result in growth and expansion over the long run. Bjorvatn & Tungodden [7]. Lakuma, *et al*, [17] discover that taking part in business-training programs considerably raises the likelihood of starting new businesses and growing current ones. The results, however, show that business training has no effects on corporate outcomes like sales and profits. Furthermore, they partially disregard the effect of financial restrictions in entrepreneurial activity by limiting the sample to mature businesses.

Kepha, [13] carried out a similar study in Peru, where they gave micro entrepreneurs in two distinct cities—Lima and Ayacucho—business training. Their study differs in a number of ways from the one by Lakuma & Marty, [15]. Karlan and Valdivia [25] first investigate the effects of offering business training to business owners whose operations are smaller than those of Klinger and Schundeln. They also examine how additions of both human and financial capital affect the enterprise performance of a group with particularly severe financial and human capital constraints by limiting their sample to female microcredit clients. Finally, a randomised control study is used by Karlan and Valdivia to assess the overall effectiveness of their approach as a treatment.

Kepha, [13] show that microfinance consumers who participate in training programs have a higher likelihood of maintaining a spotless payback history than untrained clients. They contend that this is caused by the better business results, which are on average 16 percent greater for clients who have received training in terms of sales. However, the findings are not comparable to other company outcomes like profit margins and changes in personnel numbers. The amount of the loan and the total savings have not changed much as a result of training. The results of a different study by Karlan, & Valdivia, [25] conducted on the effects of offering business training to microfinance clients in Tanzania revealed that the training had no bearing on the entrepreneurs' profitability.

The consensus was that business training causes changes in business structures that are linked to improved profitability, or 16 This is due to the higher prevalence of multiple-company ownership among entrepreneurs with business training. Kepha, [13]. Second, the business owners who received business training have become more involved in commerce at the expense of production. Parallel to this, the majority of indicators place the manufacturing industry as the least profitable and the commerce industry as the most profitable, particularly in terms of profit per working hour.

The nature and impact of training and skill development in businesses are seen by firm managers as being a significant contributor for business development, according to a survey report by the OECD for determining the relationship between training and SMEs competitiveness and productivity. Small businesses still choose to plan their own trainings in accordance with their unique business demands. Karlan, & Valdivia [25]. The managerial expertise, resources, and experience that SMEs need to entice potential investors to invest with them are lacking.

To prevent the issue of information asymmetry and related conflicts of interest, SMEs and debt and equity providers must get along. The MFIs in Cameroon organize trainings on bookkeeping, auditing, and supervisory practices in an effort to suit the needs of its clients. The typical commercial banks do not offer these services. The growth of SMEs' human resources may be significantly impacted by these efforts Clement, & Klinger *et a*l [8].

Clement, et al [8] adds that in order for customers to effectively utilize the financial resources provided to them, it is also necessary to teach them in certain production and business management techniques and provide them with improved access to markets. Mel *et al* [16] examined the effect of MFIs on the expansion and development of SMEs in Machakos, Kenya, in a similar research study. The researcher employed multiple regression to analyze the data for this association, and the results show that the IV has a considerable impact on the DV. According to the report, only financial services have assisted SMEs in growing and developing.

Most of the comments that make reference to the availability of financial literacy just supply the bare minimum of these abilities. The study therefore suggested that business owners of SMEs receive training in accounting and management procedures before being given loans. The SMEs should be trained on financial management by the MFIs through seminars and workshops. Most SME owners and managers lack management abilities. When the finance is employed by those without managerial abilities and is offered to a suitable depth, incompatibility is more likely to develop. MFIs should therefore increase the amount of managerial skills they offer. Essay [11].

Using a descriptive research methodology and multivariate regression to ascertain the relative weights of the variables pertaining to poverty reductions, Nahamya, *et al* [19] looked at MFI as a provider of microfinance to investigate the effects of microfinance services on poverty reduction in Makueni County, Kenya. According to the study, microfinance services (micro-credit, micro-insurance, saving, and instruction in financial management skills) significantly and favorably affect Makueni County's efforts to reduce poverty. In order to help their clients increase the performance of their businesses, MFIs should enroll in many financial management courses, according to the researcher's emphasis on training (managerial skills).

Awuah & Addaney [5] The study found a favorable association between MFI services and the expansion of SMEs in the Sunyani Municipality of Ghana. The study used a case study methodology and a sample size of 152 respondents to examine the interaction between MFIs and SMEs in this municipality. Contributors to this relationship include non-financial services and goods like managerial training and business consulting. In order to improve performance, the study advised increasing the intensity of these non-financial services.

Mungai, [18] employed a cross-sectional survey to analyze both secondary and primary data as part of his investigation of the impact of microfinance institutions on the growth of micro and small businesses (MSE) in Thika Municipality, Kenya. Two hundred eighty-five MSEs and sixteen MFIs were chosen through random selection. This study offers detailed information on how microfinance services have helped MSEs in developing nations expand. The researchers' advice is consistent with that of Prah, [24].

3. Methods

The study was conducted in the Kigezi region of Uganda. It has six (6) districts namely: Kabale, Kisoro, Kanungu, Rukungiri, Rubanda and Rukiga. The Kigezi region is situated in southwestern Uganda. A very hilly, cold and mountainous region bordering the Republic of Rwanda and the Democratic Republic of Congo Because of its hills, mountains and cold weather, people call it the Switzerland of Africa. It is full of Agricultural Terraces and home to the world-famous mountain guerillas. According to the National Census of 2014 and Uganda Bureau of Statistics (UBOS) of 2016, the region has a population of about 1.5 million people from the following 6 Districts:

The research uses both descriptive and cross-sectional surveys to gather information from various MSMEs records and panel procedures as well as a supplementary interview as methods of data collection. Descriptive designs are applied to explain particular individual(s) or group(s) to determine the Micro-Credit Institution's Services and Sustainability of Micro, Small and Medium Scale Enterprises during the COVID-19 Pandemic in Kigezi Region, South Western Uganda. The standardized information collected is processed statistically to enable this study to be generalized. The adoption of this research design was a result of the economic and cost-effectiveness of the method. Orikiriza and Agaba [23] and Amin [4]. The researchers used questionnaires and supplementary interviews as well as firms' records from the sample size.

The population of this study are owners of micro, small and medium enterprises in the six (6) districts of the Kigezi region, Uganda. These districts have a high concentration of MSMEs. The owners and the managers of these MSMEs were the units of enquiry or respondents as a result of their direct involvement in the planning, implementation and management of the firm's growth and development. The population of firm owners and managers were 1400 MSMEs.

A cluster sampling procedure was applied to select the enterprises' respondents. Enterprises' owners and managers are the units of inquiry due to their importance as custodians of information on all the activities taking place in their respective MSMEs. In cluster sampling, the research population shall be divided into clusters (areas or districts) and selected using simple random sampling. The unit of sampling in the study was 312 respondents (MSMEs) in the six (6) districts of the Kigezi region.

Yamane's sampling formulae is used for sample size determination. It was based on a 5% level of precision (e) and the formula below was used to determine the sample size.

$$n = \frac{N}{1+N(e^2)}$$

Where; N is the population of study; n is the sample size and e is the precision level.

This enables the target population of firms to be adequately and sufficiently represented in the sample size as indicated in the table below:

Table 1. *The Number of firms for the respective districts in the Kigezi region.*

DISTRICT	POPULATION SIZE	SAMPLE SIZE	Sampling Technique
Kabale	480	107	Cluster Sampling
Kisoro	160	36	Cluster Sampling
Kanungu	190SH	42	Cluster Sampling
Rukungiri	320	71	Cluster Sampling
Rubanda	130	29	Cluster Sampling
Rukiga	120	27	Cluster Sampling
TOTAL	1400	312	

Source: UBOS (2016).

Data Collection

A systematic questionnaire that is administered by interviewers who have received training in order to gather information from SMEs. The comprehensive criterion that the SMEs are registered shall serve as the basis for the selection criteria. The businesses that were chosen are classified as micro, small, or medium in terms of their scale of output and have been in operation for at least a year. The businesses were under the study's chosen area and were based in any of the Kigezi region's six (6) districts. Due to their significance as the guardians of the information for their particular businesses, business owners and managers are the units of investigation.

A set of requirements, such as specialization and language proficiency, determines the demand for three (3) research assistants and three (3) research officers. The research officers spent two days instructing the research assistants on the goals of the study, the instruments or tools used to collect data, how to conduct interviews, how to extract data from business records, and the general data collection processes.

Data Analysis

According to the study's findings managerial skill training all affect the services provided by microcredit institutions as well as their viability. The services provided by microcredit institutions are essential to the sustainability of MSMEs. Statistical Package for Social Sciences was used to enter, clean, and prepare for tabulation the data collected from the questionnaire (SPSS). The level of the association was established using Pearson Product Moment statistics, which were utilized to determine frequencies and descriptive statistics.

Ethical Considerations

The research proposal was approved by the research ethics review committee of Mbarara University of Science and Technology, Mbarara, Uganda before conducting the study. All necessary authorities in the district, area, and relevant LCS gave their consent for the study to be conducted. The appropriate data collection tools were properly integrated with the relevant consent form and information sheet. All study participants received information on the study's goals, methods, risks, benefits, privacy and confidentiality concerns, and other pertinent information. Finally, prior to the interview, verbal informed consent was obtained from each study participant. The Mbarara University of Science and Technology's ethics committee in Mbarara, Uganda, explicitly authorized this form of consent.

Expected Outcomes & Dissemination

The study's findings support the claim that many MSEs, who lack working capital as a result of the COVID-19 pandemic, must first access finance in order to restart their businesses. The results would be helpful to managers of micro, small, and medium-sized businesses in the Kigezi region of Uganda as they looked at other organizational characteristics and the services provided by microcredit institutions to support recovery strategies for these businesses during the COVID-19 epidemic.

The research findings can serve as a reference for the government as it develops and implements policies for the COVID-19 Pandemic and the socioeconomic well-being of the populace.

Because of the empirical evidence on the Micro-Credit Institution's Services and Sustainability of Micro, Small, and Medium Scale Enterprises during the COVID-19 Pandemic in Kigezi Region, South Western Uganda, the research findings for the academic environment would add to the current ones. Future scholars who wish to do additional research on the same or comparable issues with pertinent literature may find the research findings valuable.

Validity

Nahamya, *et al* [19] using the definition of validity as the extent to which an instrument measures what it is intended to measure and whether it does so properly. The research instrument included every aspect of the phenomena under study as described in the conceptual framework in order to assure validity. The questionnaire was discussed between the lead researcher and the co-investigators, and specialists were also asked to rate the instrument to evaluate its structure.

The following formula was used to test the validity index.

Orikiriza and Agaba [23] the Content Validity Index (CVI) must be greater than or equal to 0.7 and this was calculated as:

The following formula was used to test the validity index.

$$\text{CVI} = \frac{\text{Number of items regarded as relevant by judges}}{\text{Total number of items}}$$

According to Amin [4], the Content Validity Index (CVI) must be greater or equal to 0.7 and this was calculated as:

$$\text{CVI} = \frac{\text{Number of items rated as relevant}}{\text{Total number of items}} = \frac{23}{28} = 0.821$$

As a result, the resulting value of 0.821 is higher than the normal value of 0.7, indicating that the items were highly relevant for the type of data required by the study.

Reliability

The degree of consistency that a research instrument produces consistent results when used on several occasions is the measure of an instrument's reliability. A measuring tool's stability, consistency, or dependability might be compared to reliability. Orikiriza and Agaba [23] and Clement [14].

Group predictions that are reliable enough for the majority of uses are possible when the correlation value is higher than 0.7. High levels of stability and dependability meant that the findings were repeated, and vice versa Awuah, [5]. The lower the variance an instrument generates when measuring the same attribute repeatedly, the more reliable it is. Mugiraneza *et al* [28].

Researchers administered some copies of questionnaires to respondents who were not part of the final sample for the study. They administered questionnaires were later entered into Statistical Package for Social Sciences (SPSS). Reliability analysis was conducted for the scales using Cronbach's Alpha. Cronbach's coefficient alpha is designed as a measure of internal consistency, that is, do all items within the instrument measure the same thing.

The internal consistency of the elements in the instrument is expected to be higher the closer the Alpha is near 1. The value grows as the number of objects (variables) in the construct does. The equivalent value was similarly substantial if the inter-correlation between the items was high. There is content, clarity, level of consistency, and relevance to the research objectives since the alpha value is inflated by a high number of variables. The instrument's content validity was determined to be worthy of execution.

The Cronbach's coefficient alpha was calculated for each construct of the questionnaire. The most identical values of alpha indicate that the mean and variances in the original construct do not differ much, and thus standardization does not make a great difference in alpha. The value obtained was 0.857. This value is considered high and acceptable; the result ensures the reliability of each construct of the questionnaire; and indicates a good degree of reliability of the entire questionnaire, Hence, it is proved that the questionnaire is valid, reliable and suitable for the study.

4. Results

Response Rate

Amin, [5] and Turyasingura and Agaba [26], defines response rate as the ratio of respondents in the sample who got questionnaires to the number of respondents who responded to the surveys. Typically, it is given as a percentage. Prior to beginning the analysis of the data gathered, the researchers calculated the return rate by multiplying the number of respondents who participated in answering the questionnaire by the specific categories of respondents in each case and dividing the result by 100 as shown below:

Response rate for the questionnaire.

Table 2. *The Response Rate.*

Category of the respondents	Number of questionnaires administered	Number returned	Return rate (%)
	312	294	94.2%

Source: Primary Data (2021).

From Table 2 above, three hundred and twelve (312) questionnaires were administered but the number of respondents (MSMEs) who returned the filled questionnaires was two hundred and ninety-four (294) giving the overall return rate as 94.2%. A response rate that is above 94.2% is appropriate to make conclusions. The return rate was a clear indication that a good number of respondents (MSMEs) participated in the study. Amin, [5] argued that a high return rate ensures more accurate survey results and this is also supported by Orikyiriza and Agaba [23] and Mbabazi and Agaba [27]. Therefore, the results obtained were representative and relied on for investigating the Micro-Credit Institution's Services and Sustainability of Micro, Small and Medium Scale Enterprises during the COVID-19 Pandemic in Kigezi Region, South Western Uganda.

Table 3. *Characteristics of the Respondents.*

Characteristics		Frequency	Percentage (%)
Gender			
	Female	162	55.1
	Male	132	44.9
	Total	294	100.0
Level of Education			
	Informal	74	25.2
	Primary	56	19.0
	Secondary	81	27.6
	Vocational School	55	18.7
	University	28	9.5
	Total	294	100.0
Year of Experience with MFIs			
	2 years and below	73	24.8
	3-5 years	112	38.1
	6-8 years	29	9.9
	9 years and above	80	27.2
	Total	294	100.0
Type of Enterprise (to stakeholders)			
	Trade	160	54.4
	Small Scale Farming	63	21.4
	Creative Design	71	24.1
	Total	294	100.0

Source: Primary Data (2022).

According to the aforementioned data, 162 more women (55.1%) than men (132, 44.9%) participated. There were 74 respondents (25.2%) with no formal education, 56 (19.0%) with primary education, 81 (27.5%) with secondary education, 55 (18.7%) with vocational education, and 28 (9.5%) with university education. 24.8% of respondents had experience of less than two years, 38.1% had experience of three to five years, 9.9% had experience of six to eight years, and 27.2% had experience of more than nine years. This suggests that the majority of respondents have up to five years of MFI experience. 54.4% of respondents worked in the commercial sector, followed by 21.4% in small-scale farming and 24.1% in the creative design industry. This suggests that the majority of respondents were involved in small-scale farming and trade.

Therefore, the respondents were mostly females (55.1%), with secondary level and below (71.8%), had up to 5 years of business experience were (62.9%) and involved in trade and small-scale farming.

To investigate the effect of the provision of Managerial skills by microcredit institutions on the sustainability of MSMEs during the COVID-19 pandemic in the Kigezi Sub-Region Uganda.

Concerning the objective of the study, the following results were obtained as presented in the following Tables.

Do the managerial skills for training micro, small and medium enterprise stakeholders help in running businesses?

Table 4. *Managerial skills.*

Opinion	Frequency	Percentage
Strongly Disagree	25	8.5
Disagree	38	12.9
Agree	143	48.6
Strongly Agree	88	29.9
Total	294	100.0

Source: Primary Data (2022).

Results in the Table above show the findings on whether the managerial skills training for micro, small and medium enterprise stakeholders helps in running businesses. Results reveal that majority (78.5%) agreed whereas 21.4% were in disagreement. This implies that managerial skills training for micro, small and medium enterprise stakeholders helps in running their businesses.

Prospective trainers needed to make follow up on managerial training skills implementation by small and medium enterprises.

Table 5. *Prospective trainers follow up on managerial trainings.*

Opinion		Frequency	Percentage
	Strongly Disagree	21	7.1
	Disagree	46	15.7
	Agree	141	48.0
	Strongly Agree	86	29.3
Total		294	100.0

Source: Primary Data (2022).

Results in the Table 5, The results above show whether aspiring trainers follow up on the use of managerial training skills by small and medium-sized businesses. According to the findings, the majority (77.3%) were in agreement, while 22.8% were not. This suggests that aspiring trainers must monitor the application of managerial training techniques by small and medium-sized businesses.

SMEs usually have the time to attend the managerial skills training organized by prospective Trainers.

Table 6. *Time to attend Managerial trainings.*

Opinion	Frequency	Percentage
Strongly Disagree	24	8.2
Disagree	51	17.3
Agree	137	46.6
Strongly Agree	82	27.9
Total	294	100.0

Source: Primary Data (2022).

Results in the Table above show the findings on whether SMEs have time to attend the managerial skills training organized by prospective trainers. Results reveal that majority (74.5%) agreed whereas 25.5% were in disagreement. This implies that SMEs usually have the time to attend the managerial skills training organized by prospective Trainers.

Pearson product moment correlation between the Provision of Managerial skills by micro credit institutions and the Sustainability of MSMEs.

Table 7. *Provision of Managerial skills.*

Variables Computed index		Provision of Managerial skill by microcredit institutions	Sustainability of MSMEs
Provision of Managerial skill by microcredit institutions	Pearson Correlation	1	0.479^{**}
	Sig. (2-tailed)		0.001
	N	294	294
Sustainability of MSMEs	Pearson Correlation	0.479^{**}	1
	Sig. (2-tailed)	0.001	
	N	294	294

**Correlation is significant at the 0.01 level (2-tailed)
Source: Primary Data (2022).

Results in Table 7, reveal the results for the Pearson product moment correlation as applied to investigate the effect of the provision of managerial skills by microcredit institutions on the sustainability of MSMEs during the COVID-19 pandemic in Kigezi Sub-Region Uganda. The results show a statistically moderate positive and significant relationship between the provision of managerial skills by microcredit institutions on the sustainability of MSMEs (r=0.479**, p<0.01). Thus, the null hypothesis was rejected. This implies that the provision of managerial skills by microcredit institutions has a positive effect on the sustainability of MSMEs during the COVID-19 pandemic in Kigezi Sub-Region Uganda.

5. Discussions

The findings demonstrate a statistically moderately significant and favorable association between microcredit institutions' provision of managerial skills and the viability of MSMEs (r=0.479**, p0.01). The null hypothesis was thus disproved. This suggests that microcredit institutions' provision of managerial skills has a beneficial impact on the viability of MSMEs during the COVID-19 epidemic in Uganda's Kigezi Sub-Region. [26] discover that microfinance consumers that participate in training programs have a higher likelihood of maintaining a spotless payback history than untrained clients.

They contend that this is caused by the better business results, which are on average 16 percent greater for clients who have received training in terms of sales. However, the findings are not comparable to other company outcomes like profit margins and changes in personnel numbers. The amount of the loan and the total savings have not changed much as a result of training. The results of a different study. Karlan & Valdivia [25] conducted on the effects of offering business training to microfinance clients in Tanzania revealed that the training had no bearing on the entrepreneurs' profitability. The consensus was that business training causes changes in business structures that are linked to improved profitability, or 16 This is due to the higher prevalence of multiple-company ownership among entrepreneurs with business training [26].

Second, the business owners who received business training have become more involved in commerce at the expense of production. Parallel to this, the bulk of indicators rate commerce as the most profitable industry and manufacturing as the least profitable sector, especially in terms of profit per working hour Agaba & Kaaya [3], Olaitan, [21] and Olowe [22]. Using a descriptive research methodology and multivariate regression to ascertain the relative weights of the variables pertaining to poverty reductions. Nahamya [19] looked at MFI as a provider of microfinance to investigate the effects of microfinance services on poverty reduction in Makueni County, Kenya. The study found that microfinance services (Micro-credit, micro-insurance, saving and training on financial management skills) have positive and significant effects on poverty reduction in Makueni County.

6. Conclusion and Recommendations

6.1. Conclusion

The findings demonstrate a statistically significant impact of training in managerial skills provided by microcredit institutions (=0.309, Sig=0.000). The study comes to the conclusion that managerial skill training will improve the services offered by microcredit institutions.

Small-scale businesses have been found to need access to financing in order to compete and successfully increase their level of productivity.

The study comes to the conclusion that MSMEs were not supported by microcredit institutions' loan offerings during the COVID-19 epidemic in Uganda's Kigezi Sub-Region.

The paper goes on to say that having access to enough financing is crucial for SMEs to expand and flourish, which in turn helps to increase employment and lower poverty.

6.2. Recommendations

The researchers advise emphasizing training (managerial skills), particularly in financial management to assist their clients in routinely improving their business performance, and in most situations, training should be customized to the clients' needs.

The researchers suggested that consumers who get loans should be subject to appropriate and thorough supervision, and that microfinance organizations should lower interest rates and lengthen grace periods to three to six months.

Therefore, the researchers suggest that the government and other partners make it easier for small and medium-sized businesses to receive credit from microfinance institutions and reduce the collateral requirements because these have been identified as some of the problems.

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