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# Leadership Styles and Growth of Small and Medium Enterprises in the Central Region of Uganda

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## ABSTRACT

Over decades there has been growing concern on leadership style and growth of SMEs in Uganda. The study sought to establish the leadership styles that were employed by leaders in SMEs in the Central region Districts and examine how they affected growth in these enterprises. The study adopted a parallel descriptive mixed methodology to enable collection of quantitative and qualitative data. It also employed a correlational research design and it enabled in-depth understanding of the variables under investigation. Epistemological and ontological stance was employed that posted in positivism philosophy to aid the study and enabled triangulation approach. Total of 349 research participants were purposively engaged in the study and study and these included leaders and proprietors 'of SMEas and managers of 123 SMEs in Uganda. Primary and secondary sources of data were collected using interviews. Focused group Discussions and surveys. The study revealed that there is a positive relationship between directive, coaching and supportive leadership styles, and growth of SMEs. The Pearson correlation Coefficient and Regression Analysis were obtained in analyzed data. The study also revealed that delegating leadership had a negative relationship with growth of SMEs. It concluded that a mix of directive, coaching and supportive leadership led better growth results in SMEs in Uganda. It further discovered that many SMEs are initiated but due to inappropriate management they are short lived. The study recommended leadership training for leaders in SMEs to develop a mix of leadership skills and competencies. It also recommends employee skilled professionals and continuous monitoring of development of SMEs to enable them better. It also recommends for having strategic business plan and internal control practices to support leadership of SMEs in Uganda

### Keywords

Small Scale, Medium Enterprises, Leadership Style, Integration Skills, Uganda

## 1. Introduction

This study examined the leadership style and growth of small and medium enterprises in Uganda, a case study of Central Region Districts. In this article Central Region Districts covers wide areas as you may see the map therein. This study sought to identify the leadership styles applied by those entrepreneurs who were been able to lead their enterprises into sustained growth.

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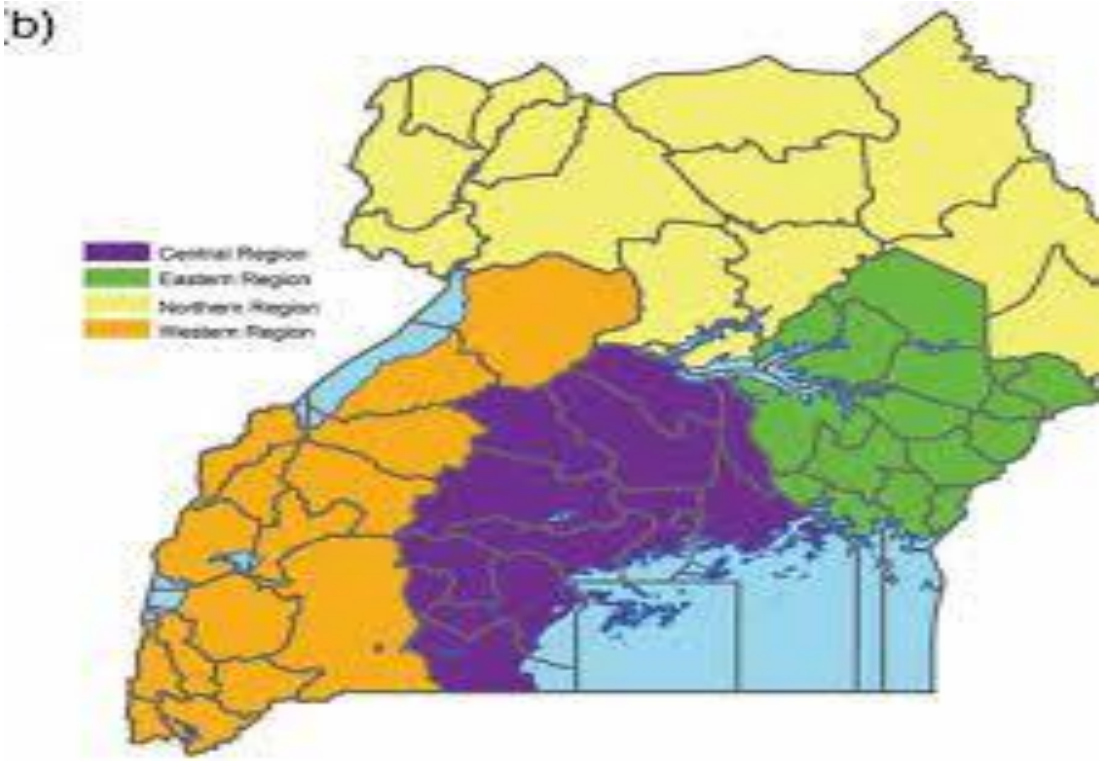
Mark Kiiza, Odama Kayi, Charles Muwonge (2024). Leadership Styles and Growth of Small and Medium Enterprises in the Central Region of Uganda. Journal of Current Research and Studies, 1-13.

In this study, Leadership style was conceived to be the independent variable, whereas enterprise growth was the dependent variable. Enterprise growth has been an area of study for many researchers (Alareeni & Hamdan, 2022), 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 (Kiboi, 2023). 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 (Barrall et al., 2019), (Agrawal et al., 2023). Proposed five stages of enterprise 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 (Lewicka et al., 2023). 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 (Sarferaz, 2022). 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.

Many developing countries like Uganda have shifted focus to growth of small and medium enterprises in a bid to promote economic development. In Uganda, SMEs contribute 90% of private sector production (OECD, 2022). If these businesses are able to thrive, they can have a very big impact on the overall economy. Unfortunately, most SMEs are not growing in the way that they are expected to grow. The country still records one of the highest business attrition rates in the world. Majority of businesses started do not live long enough to see their first birthday, and of those that survive, very few ever growth to have a substantial impact on the society. Sarferaz, (2022), (Mohammed, 2023) mention that there is a great entrepreneurship enthusiasm in African countries but there is also little solid evidence that this entrepreneurship promoted economic growth in Sub-Saharan Africa and many other developing countries. This can be attributed to the fact that few of the firms started actually grow into larger firms that can have a meaningful impact on the economy (Alcorta et al., 2021), (Ali et al., 2024). Identify that many countries in Sub-Saharan Africa have a large number of SME's relative to the size of the economy, but these are exclusively micro companies and they are often not part of the formal economy. They further note that without being a formal enterprise, access to finance, new market opportunities and the public sector is greatly hampered. Starting small businesses alone is not enough. These firms need to graduate into large sized firms with better productivity, quality and serving larger markets for Uganda to fully benefit from the growth opportunities that SMEs present (Alareeni & Hamdan, 2022). The study was carried in Central region districts of Uganda which among others include Wakiso, Kampala, Mpigi, Mukono, Butambala, Gomba, Kalungu, Masaka Bukomansimbi etc. The investigation from the majority of SMEs in Uganda is the subsistence firms and small firms. Very few of those small firms can reach the medium size which, eventually, a portion of them has the potential to further develop into large firms depending on the founders and the entrepreneurs of those firms (HUB, 2021), (Kiboi, 2023). Majority of startups lack the much-needed leadership without which they will continue to stagnate. If nothing is done to address this issue, all efforts to promote national development through encouraging entrepreneurship will be wasted. The purpose of this study is to examine how leadership styles and its influence growth of SMEs in Central Region of Uganda. A Map of Uganda showing the Central region indicated with purple where the study was carried out.




## 2. Methodology

The study employed a parallel descriptive mixed methodology the enabled collection of qualitative and quantitative data.  The study father a adopted a case study design the enable in-depth understanding of the variables under investigations (Ahmed, 2023) 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 in the study (Bartels & Wittmayer, 2020), (Ahmed, 2023). 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. The study adopted a case research design was used and it enables in-depth understanding of the variables under investigation (Gupta et al., 2020).

The design was deemed suitable research study because provided easy and comprehensive analysis the independent variable(s) under investigation. This research design was therefore was appropriated in creating an enabling environment that inspired the researcher to investigate the properly leadership style and growth of SMEs in the Central region of Uganda. The study was conducted in SMEs of Central Region Districts. Central Region Districts is located in the central region of Uganda surrounding the capital Kampala Districts. This study sampled 349 representatives were engaged in the study within the ideal setting for any study should be easily accessible to the researcher (Brough et al., 2022). Central Region being the Districts surrounding Kampala, it harbors a considerable number of SMES. This research focused on SMEs that were listed on the Yellow Pages Business Directorate. According to (YellowPages, 2017), there were 175 such SMEs in Central Region Districts .The researcher used purposive sampling to select the sample enterprises (Silvia, 2020). 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 (Hayes & Kobets, 2023)

## 2. Data Collection Methods

The researcher used the interview, focused group discussion and survey methods in data collection process.  The two sets of data qualitative and quantitative were collected in the study.

The researcher conducted Interviews and focus Group Discussions when collecting Qualitative data (Engebretsen & Kennedy, 2020). In seeking a very complete response, interviews and focus groups are most likely to provide the depth of information that might be useful. Focus groups and interviews are also the best methods to resolve seemingly conflicting information, because the researcher has the direct opportunity to ask about the apparent conflict (Alareeni & Hamdan, 2022). The data collected was analyzed using thematic content data analysis, and Scientific Package of Social Scientists that enabled the researcher draw meaningful information.  These two approaches were particularly useful for non-experimental descriptive designs that seek to describe that enable the study to arrive at ultimate reality in the study (Amberley, 2023)

## 3. Results of the findings

The finding from the research representatives were asked to state whether communication only came from the leader to subordinates. The findings of the 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 (Ginbar, 2021). 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 (Sarferaz, 2022). 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. (Sarferaz, 2022).  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 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 (Sarferaz, 2022).

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 (Agrawal et al., 2023). 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 (Dickinson et al., 2022).

The finding clearly indicated that coaching of leadership practice were a blessing for SMEs growth and development in Central Region Districts. The findings encourage SMEs leaders and proprietors to learn new things that can supportive the sustainability and development of the small and medium enterprise. The mean of 3.25 showed that majority of the respondents were in agreement.

The results of the study show that majority were in conformity with the raised assertion 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 (Marcy, 2023). 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 (Ginbar, 2021). The combined mean of indicators was 3.29 which shows that supportive leadership is also practiced in SMEs in Central Region

**Table 1. Showing 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 | 2.19 | 1.282 |
| | 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 | | |

(Source: Primary data, 2024)

The findings from that table indicate 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 (Marchini et al., 2023). This clearly 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 (Avcı, 2022).

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 (Agrawal et al., 2023). 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 (Brough et al., 2022). The findings further indicate the combined mean of 2.22 shows that delegating leadership was rarely practiced among SMEs in Central Region.

The statistics on growth in SMEs in Central Region Districts.

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 2: Showing Results for Growth of SMEs in Central Region Districts**

| 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 | 3.94 | 0.913 |
| we get more work done | SD | 21 | 5.2 | | |
| | D | 76 | 18.8 | | |
| | N | 44 | 10.9 | | |
| | A | 97 | 24 | | |
| | SA | 75 | 18.5 | 3.52 | 0.925 |
| our company has more output | SD | 17 | 4.2 | | |
| | D | 56 | 13.8 | | |
| | N | 30 | 7.4 | | |
| | A | 138 | 34.1 | | |
| | SA | 97 | 24 | 3.73 | 1.214 |
| 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 | 3.66 | 1.058 |
| our company spends less | SD | 58 | 14.3 | | |
| | D | 93 | 23 | | |
| | N | 29 | 7.2 | | |
| | A | 70 | 17.3 | 2.95 | 1.337 |

| | | | | | |
|---|---|---|---|---|---|
| | SA | 29 | 7.16 | | |
| our company produces new ideas | SD | 21 | 5.2 | | |
| | D | 53 | 13.1 | | |
| | N | 34 | 8.4 | | |
| | A | 162 | 40 | | |
| | SA | 95 | 23.5 | 3.23 | 1.011 |
| our company has new solutions | SD | 3 | 8 | | |
| | D | 42 | 10.6 | | |
| | N | 84 | 21.2 | | |
| | A | 186 | 47 | | |
| | SA | 81 | 20.5 | 3.76 | 0.923 |
| 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 | 3.69 | 1.058 |

(Source: Primary data, 2024)

The findings from Table 2: clearly indicate 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.

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 (Balın et al., 2024). 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. 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 (Alareeni & Hamdan, 2022). 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 (Alareeni & Hamdan, 2022). A combined mean of 3.56 indicates growth among SMEs in Central Region Districts

**Table 3: Showing Results for institutional culture in SMEs in Central Region Districts.**

| QUESTIONS | RESPONSES | FREQUENCY | PERCENT | MEAN | STD.DEV |
|---|---|---|---|---|---|
| We have clearly written policies that govern behavior at our firm | SD | 12 | 3 | | |
| | D | 33 | 8.3 | | |
| | N | 45 | 11.3 | | |
| | A | 171 | 42.6 | | |
| | SA | 138 | 34.6 | 3.98 | 1.031 |
| we have unwritten norms at our workplace | SD | 23 | 5.7 | | |
| | D | 45 | 11.1 | | |
| | N | 77 | 19 | | |
| | A | 102 | 25.2 | 3.72 | 1.892 |

| | | | | | |
|---|---|---|---|---|---|
| | SA | 67 | 16.5 | | |
| leaders uphold these company norms | SD | 27 | 6.7 | | |
| | D | 63 | 15.6 | | |
| | N | 40 | 9.9 | | |
| | A | 109 | 26.9 | | |
| | SA | 82 | 20.3 | 3.66 | 1.097 |
| leaders operate according to the written policies | SD | 34 | 8.4 | | |
| | D | 29 | 7.2 | | |
| | N | 70 | 17.3 | | |
| | A | 131 | 32.4 | | |
| | SA | 82 | 20.3 | 3.92 | 1.433 |
| we have a certain company culture | SD | 12 | 3 | | |
| | D | 42 | 10.5 | | |
| | N | 54 | 13.5 | | |
| | A | 168 | 42.1 | | |
| | SA | 123 | 30.8 | 3.87 | 1.059 |
| our Company culture affects how our leaders behaves toward subordinates | SD | 30 | 7.6 | | |
| | D | 42 | 10.7 | | |
| | N | 54 | 13.7 | | |
| | A | 183 | 46.6 | | |
| | SA | 84 | 21.4 | 3.63 | 1.155 |

(Source: Primary data, 2024)

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. Item one required the respondents to state whether there were clearly written policies that governed behavior at the enterprise (Dickinson et al., 2022). 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 (Glazzard & Green, 2024).

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 (Silvia, 2020). To answer this question, a correlation of leadership styles and enterprise growth was done to find out the relationships.

**Table 4: Directive leadership**

| | | Directive leadership | Enterprise growth |
|---|---|---|---|
| Directive leadership | Pearson Correlation | 1 | .259** |
| | Sig. (2-tailed) | | .000 |

| | | | |
|---|---|---|---|
| | N | 405 | 402 |
| Enterprise growth | Pearson Correlation | .259** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 402 | 402 |
| (Source: Primary data, 2024) | | | |

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 has a positive relationship. Therefore, the hypothesis that was earlier postulated is upheld (Silvia, 2020).

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 5: Regression Analysis showing relationship between directive leadership and SME growth**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .259a | .067 | .065 | .79912 |
| (Source: Primary data, 2024) | | | | |

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.

**Table 6: Coaching leadership 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 | .415** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 402 | 402 |

(Source: Primary data, 2024)

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 has 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.

**Table7: Regression Analysis of Coaching leadership and SME growth**

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

(Source: Primary data, 2024)

The findings indicated a 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 8: Correlation of Supportive leadership and SME growth**

| | | Enterprise growth | Supportive leadership |
|---|---|---|---|
| Enterprise growth | Pearson Correlation | 1 | .287** |
| | Sig. (2-tailed) | | .000 |
| | N | 402 | 402 |
| Supportive leadership | Pearson Correlation | .287** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 402 | 402 |
| (Source: Primary data, 2024) | | | |

The results clearly showed 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 has 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 9: Regression Analysis of Supportive leadership and SME growth**

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .287a | .082 | .080 | .79263 |
| (Source: Primary data, 2024) | | | | |

The findings indicated a 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.

**Table 10: Delegating leadership Correlation of delegating leadership and SME growth**

| Correlations | | | |
|---|---|---|---|
| | | Enterprise growth | Delegating leadership |
| Enterprise growth | Pearson Correlation | 1 | -.105* |
| | Sig. (2-tailed) | | .035 |
| | N | 402 | 402 |
| Delegating leadership | Pearson Correlation | -.105* | 1 |
| | Sig. (2-tailed) | .035 | |
| | N | 402 | 402 |
| (Source: Primary data, 2024) | | | |

The results showed 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 has 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 11: Regression Analysis of Delegating Leadership and SME growth**

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .105a | .011 | .009 | .82279 |
| (Source: Primary data, 2024) | | | | |

The study findings indicated a 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

## 4. CONCLUSIONS

The article concludes that, are various leadership styles challenges among SMEs established in Central region of Uganda but many of can to hold on to see the secondary birth day. The implies there is silent noise in business enterprise established in central region in Uganda". This is because there many factors that affect their stay and to their collapse in less than a year. This means of a combination of factors and indicators of the various leadership styles.

The study therefore basing on the conclusion suggests that, the proprietors of SMEs in Central region need beware of internal dynamics and the silent noise were affecting the established business in the community. The study concluded that a mean of 3.531 was low and had indicators of Directive leadership proved challenges that affect growth and sustainability of SMEs. The study concluded based on those Indicators that there was need of coaching leadership had a mean of 3.49, proving that many of the leaders in SMEs in Central Region Districts practiced this style of leadership. The Supportive measures of leadership could scale up combined indicators to boost the sustainability of SMEs in Central region of Uganda.

### The growth of SMEs Central region in Uganda

The hypothesis "There is growth of SMEs in Uganda" was found to hold. Basing on the findings the majority of research participants agreed that the indicators of growth were present in their enterprises. The study concluded that, there were Increase in productivity of SMEs had a mean of 3.73; increase in profitability posting into growth of SMEs in central region of Uganda. The study results had a mean of 3.31 while increase in innovation had a mean of 3.56. This means that the study can ably conclude based on majority of the respondents agreed with the notion that these indicators of growth were present in their enterprises of SMEs.

The study tested the hypothesis "There is a relationship between leadership style and SMEs growth in Central Region of Uganda." and it was accepted. The researcher used Pearson correlation coefficient to draw a affirm conclusion based on analyzed data in order to establish the relationship between the various styles of leadership and growth of SMEs in Central region of Uganda.

The Conclusion was Directive leadership and enterprise growth had a correlation coefficient of 0.259 at the significance level of 0.01. This implied that directive leadership in SMEs affects growth. According to the results, there was a positive significant relationship between directive leadership and growth of SMEs. This partly proves the hypothesis that there is a relationship between leadership style and growth of SMEs in Central Region Districts.

The researcher concluded that regression analysis to analyze his data and results indicated that the coefficient of determination (Adjusted R square) value was 0.065; this implied that directive leadership explained only 6.5% of SME rate growth in Central region of Uganda. The Coaching leadership and enterprise was the suggested analogy for SMEs growth had a correlation coefficient of 0.415 at the significance level of 0.01. This implied in the conclusion that inadequate coaching leadership in SMEs affected growth and therefore the need to scale up the coaching and development of the SMEs leaders was inevitable in Central region of Uganda.

Supportive leadership and enterprise SMEs growth had a correlation coefficient of 0.287 at the significance level of 0.01. This implied that Supportive leadership in SMEs affects growth. According to the results, there was a positive significant relationship between Supportive leadership and growth of SMEs. This consequently partly proves the hypothesis that there is a relationship between leadership style and growth of SMEs in Central Region Districts. The researcher also ran a regression analysis to analyze his data and results indicated that the coefficient of determination (Adjusted R square) value was 0.08; this implied that

Supportive leadership explained only 8% of SME growth.

Delegating leadership and enterprise growth had a correlation coefficient of -0.105 at the significance level of 0.05. This implied that Delegating leadership in SMEs affects growth. According to the results, there was a negative insignificant relationship between Delegating leadership and growth of SMEs. This consequently partly proves the hypothesis that there is a relationship between leadership style and growth of SMEs in Central Region Districts.

The researcher also ran a regression analysis to analyze his data and results indicated that the coefficient of determination (Adjusted R square) value was 0.009; this implied that Delegating leadership explained only 0.9% of decline in SME growth.

There are various leadership styles 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.

### The Growth of SMEs Central Region in Uganda

SMEs are 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 indictors 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.

### Leadership style and SMEs growth Central Region in Uganda.

It was revealed that leadership style influences growth of enterprises in Central Region Districts. 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.

## 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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