

**LOCALIZATION AND PRODUCTIVITY OF BUSINESS ORGANISATION IN LIRA  
DISTRICT.**

**A CASE OF SMALL SCALE ENTERPRISES IN LIRA MUNICIPALITY.**

**BY**

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## DECLARATION

I, Akao Topyister declare that this research report entitled "Localization and Productivity of Business Organisation in Lira district". A case of small scale enterprises in Lira Municipality is my original work and has never been published or submitted to any University or College of learning for the award of any degree.

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## APPROVAL

This is to certify that this research Report entitled "this research report entitled  
"Localization and Productivity of Business Organisation in Lira district" A case of  
Lira Municipality has been completed under my supervision and approval.

Name: **MR. PETER OPIO OCHENG**

Signature:  \_\_\_\_\_

Date: 17-10-2011

## DEDICATION

I dedicate this research work to my late Mum Gertrude and my Father Simon Angela , children Desmond Aloro, Gloria Acen, Sarah Auma, Sandra , Solomond and Jethro Okello and my husband Okello Sam who supported me with love and endurance throughout my academic journey and made it possible for me to reach where I am. May the living God bless you all and the whole family.

## ACKNOWLEDGEMENT

First of all I want to thank the almighty father who brought me all this far with my studies amidst all challenges, may his name be glorified.

Secondly I do extend my sincere gratitude to my supervisor Mr. Peter Opio Ocheng for the continued effort he offered to me during my course. May the almighty God bless you Amen.

Special thanks also go to my sisters and brothers who stood with me throughout my study; Salume Amule, Okello Isaac, Otoo Samuel, Toli James, Bosoc Angole and Joyce Odur.

Lastly great thanks also goes to my dear friends especially Benjamin Okeny who supported me socially emotionally, spiritually and financially also give thanks to all my relatives and family friends may the Almighty God bless you.

## ABSTRACT

This study was purposely designed and conducted to study the impact of physical location on the productivity of small scale businesses in Lira municipality.

The study was focused to find out to identify the different types of locations available to small scale business organizations, to establish why small scale business organizations tend to gravitate towards particular types of sites, to establish the relationship between location and productivity of small scale business organizations within Lira Municipality.

The researcher applied quantitative and qualitative study design, the research instruments used to obtain data during this study composed of Questionnaires and interview Guide, while observation was made for triangulation purpose.

Data collection was guided by research questions, the different types of locations available to small scale business organizations,

A total of 150 respondents were sampled using simple random sampling methods from Lira municipality, considering the variables of study, distributed among women and men with small scale businesses and 42 of them were interviewed.

During the study the researcher came out with the finding that most small businesses are not very productive due to bad locations and therefore came out with the following recommendation: Small scale business entities should organize and register themselves into groups; from local, regional to national level in order to help them reap the benefits of formal trade associations.

Small scale business owners and managers should do a thorough catchment area analysis and narrow down to the most optimal sites.

Small scale business operators, owners, and managers should draw attention to the quality of in-store workforce which represents the business. Workforce should be trained either formally or informally to carry out their tasks.

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

In this chapter, the researcher presented the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, and justification of the study, scope of the study, significance of the study localization and productivity of business organization in Lira District. A case of small scale enterprises in Lira Municipality

#### **1.1 Background to the study**

A renowned scholar and professor, Garry Kotler in his book, 'principles of marketing management' ninth edition, contend that for a business to survive and prosper you need the 'four Ps' commonly referred to as the four Ps of marketing. These include Product, Price, Promotion and Place. The Place is the Location and narrowed down to a specific site where the business premise exists or where the business is conducted.

Professor argued that for any firm to be competitive and eventually succeed in a business environment, those four Ps should blend nicely on each other. Success in business is synonymous with profit. To arrive at such desired profit levels, the business managers should carefully and continuously plan for the roadmap of the business through the 4Ps.

A planned roadmap gives the business organization a sense of purpose, focus and strategy. The purpose, focus or even the strategy may differ from one business to another, from industry to another and so on. All these purely depend on owners or management philosophy.

However, the primary goal of every business is presumed to be that of profit maximization (H. Craig & W. Chris, 1998). Although modern theories for business existence may challenge the goal of profit maximization, profit motive still remains superior as the core for the existence of almost all business ventures (D.N. Dwivedi, 2004)

From the market point of view, it can be said that the essence of business existence is the customer or the market. This therefore demands that all business organizations regardless of size, type, industry, or location should meet and satisfy the market or customer needs. In order to meet and satisfy those needs, business organizations must minimise costs of trade e.g. transport costs for merchandise, energy costs, water bills, and salaries for employees, rent and others.

Business organizations must meet and breakeven costs of doing business first, in order to survive and secondly, should make profits in order to succeed and prosper. Because it is from profits that the recurrent costs are offset and investment or expansion costs are recouped. For a business organization to achieve all these, it calls for a meticulous planning and adoption of a sound business strategy.

Through an effective and efficient grand strategy, the business can perform well and therefore succeed (M. Pandey, 1999).

The retail business organizations (which predominantly forms the larger segment of small scale business organization within Lira Municipality) for instance have five major elements of the grand retail strategy which are; location, merchandise, price, service, and communications (Ron Hasty & James Reardon, 1997)

The five major elements of grand retail strategy are supported by store operations, logistics, purchasing, market research, finance and technology. All the five elements are flexible except location. Once chosen, location exerts considerable impacts on the productivity of the business organization.

Productivity refers to the quantity or amount of output arrived at in relation to input applied or used in a specific time.

Productivity in the context of small scale business organizations denotes output. Profit on the other hand is the ultimate 'output' for a business. Without sufficient profits the business dwindles and it will have no future.

By observing the business organizations within Lira Municipality, their productivity and locations an opinion may be reached. Those located along Kwanja road which receives low traffic flow because of poor tarmaking, humps, usually flooded during rainy seasons are, not doing the same as those situated along Olwol road, where traffic flow is excellent, no flooding occur, ample parking space and so on.

It is upon such a background that the inspiration for this study arose. An investigation into localization and productivity of business organizations in Lango Sub-region; the case of small scale enterprises in Lira municipality.

## **1.2 Problem statement**

Small scale businesses tend to locate anywhere in urban places. As a result others fail while others prosper. This is suggestive of poor location decision and choice made by the business managers or owners. Good locations support higher business productivity which translates into business success while poor locations yields lower productivity which eventually translates into business failure.

## **1.3 Overall objective**

To study the impact of physical location on the productivity of small scale businesses in Lira municipality.

## **1.4. Specific objectives.**

- 1.4.1 To identify the different types of locations available to small scale business organisations.

1.4.2 To establish why small scale business organisations tend to gravitate towards particular types of sites.

1.4.3 To establish the relationship between location and productivity of small scale business organisations.

## **1.5 Research questions**

1.5.1 What are the different types of locations available to small scale business organisations?

1.5.2 Why do small scale business organisations tend to gravitate towards particular types of locations?

1.5.3 What is the nature of the relationship between location and productivity of small scale business organizations?

## **1.6 Scope of the Study**

### **1.6.1 Geographical scope**

The study was conducted in Lira district, located in the northern part of Uganda. The study was focused on Lira Municipality. Lira municipality is composed of Ojwina Division, Railways Division, Central Division and Adyel Division with an estimated population of 694,900, of which 354,675 are female (Planning Unit Lira 2010). The respondents were drawn from all the four Divisions of Lira Municipality. These Divisions have varieties of small scale businesses; therefore it will be easy for the researcher to obtain relevant data for the study.

### **1.6.2 Time Scope**

The study covered small scale business organizations which have existed in the municipality between 2004 and 2011. This is specifically chosen because it is within this time that most small scale business sprang up in Lira municipality and many of them are faced with productivity problems as a result of improper location.

## **1.8 Limitations to the study**

- 1.8.1 The current level of inflation in the country is so high. The study has been affected by the scarcity of financial resources on the part of the researcher.
- 1.8.2 Given the fact that the researcher is a working class person, the time available posed a major limitation to the effective and thorough conduct of the study.
- 1.8.3 It was predicted that the response rate in regard to filling of questionnaires and participating in interviews might be low which actually became true.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter presents the theoretical review and actual review of related literature on localization and productivity of business organisation in Lira district. A case of small scale enterprises in Lira municipality among others, this presentation was done objective by objective.

Business may be said to be any enterprise which makes, distributes, or provide any article or service which other members of the community need. The only valid purpose of business is to create a customer that is to provide goods or services which someone needs (M.C. Shukla, S. & Chand, 2004).

#### **2 Actual Review of Related Literature**

##### **2.2.1 Location Value**

More than ninety per cent of retail sales are made at stores (Barry & Joel, 2001). And, the selection of a store location is one of the most significant strategic decisions a typical business owner or manager makes.

For several reasons, store location is often the most important decision made by a business manager or owner. First, location is typically the prime consideration in customers' store choice. Second, location decisions have strategic importance because they can be used to develop a sustainable competitive advantage. A location decision is particularly important because of its high cost and long term commitment. Location decisions may be



treated at three levels; regional, trading area and specific site (Barton A. Weitz & Michael Levy, 2001).

A region is a wider geographic usually comprise of several districts (as is the case in Uganda) or provinces. Decision should be made basing on the available regions and their respective suitability for a particular business, then down to a trading area and finally a specific site e.g. the plot.

A trading area is a contiguous geographic area that accounts for the majority of a store's sales and customers. It's a geographic sector that contains potential customers for a particular business or shopping centre.

### **2.2.2 Choice of Location**

While choosing an optimal location, variables such as convenience, time and costs, reliability and quality of goods and services should be considered. The factors must be evaluated for each location before selecting the most suitable one (Leon C. Megginson, Mary Jane Byrd & William L. Megginon, 2006). In such evaluation, the business organization should consider general factors affecting all businesses as well as specific affecting various businesses.

Whereas location is critical for all business organizations, having a good location may even be more important for a service than for a merchandise business. Services are perishable commodities (Barton A. Weitz & Michael Levy, 2001). If it's not when the customer wants it is because of bad location, there is no second chance. For instance, consider a Bank ATM machine put in some unsecure location for customers, no one would use it.

For other service providers however, their location is unimportant or even 'virtual'. You could think of dog groomers, lawn care specialists, pest exterminators etc, their business location may not be as critical for their success or productivity.

Nevertheless, the choice of business location must be preceded with generally extensive search, survey and evaluation of different catchment areas, their sizes and shapes reveals the key characteristics of each. Pertinent issues regarding availability of store locations, regulations on taxes, licensing, zoning, operations etc, promotional facilities, economic base, population size and characteristics should be thoroughly studied, analysed and evaluated.

This is because of the fact that each location presents unique features with different implications to different businesses in terms of opportunities and threats. Having gone through the above evaluation, then a good location choice is likely to be arrived at.

### **2.3. Productivity**

Productivity refers to the quantity or amount of output arrived at in relation to input applied or used in a specific time.

Productivity looked at as the ability to operate sufficiently; pre supposes optimal utilization of time and resources geared towards the realization of the ultimate business goal of profit making and maximization. This means that for a small scale business organization, the fixed assets such as building (store) must be optimally utilized. The floor space should be maximized for selling, the interior layout, merchandise arrangement including window displays should be in an effective manner.

The current assets such as stock should be properly handled including storage to minimize wastage and physical deterioration (spoilage) which effects are increased costs and reduced profit margin. Cash should be equally managed. All these activities should be done while keeping costs

under control. For instance it is not wise for a small business entity to pay high rent in an expensive location if customers would be willing to travel a few meters farther to a less costly site.

Standards for measuring productivity levels of business firms may differ (Barry & Joel, 2001). First, according to the country in which the business operates. For instance, the United States of America has her own standards for the productivity and performance of retail businesses available at the American Retail Federation. They use retail productivity and performance index for different retail categories. In Uganda the literature on the same is not easily available. Second, the standards may also differ according to the sector of business and specific competition.

The productivity indicator (standards) which act as benchmark against which the actual performance may be compared also varies. For small business organizations, there could be industry or sector benchmarking standards set by business associations or chambers of commerce- for the case of Uganda. This is a body which monitors and regulates the performance of all businesses in a locality.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter describes the entire research process; methods and techniques which were deployed for the investigation which included research design; sample design, sample size, sources of data, tools used for data collection, analysis and interpretation among others.

#### **3.1 Study design**

This study was both quantitative and qualitative in nature. However, qualitative approach was adopted where descriptive variables exists e.g. opinions and views of respondents. Qualitatively, the study involved establishing the reality on the ground resulting from in-depth interviews that resulted in non-numerical data. The respondents were free to express their ideas and views in regard to the location and business productivity. Quantitative approach was instrumental in processing numerical or statistical data for purposes of enabling explanations for the some variables or situations that occur. Such data were presented in form of figures by means of graphs, tables, and pie charts and so on.

##### **Population of the study**

The study population under the study included women, men dealing in various business entities like jiggery, supermarkets, shops and waragi distillers in Lira Municipality.

### 3.2.1 Table 1. *The table below shows the selection of the respondents*

| Type of respondent | Population | Sample    |
|--------------------|------------|-----------|
| women              | 70         | 22        |
| Men                | 80         | 20        |
| <b>Total</b>       | <b>150</b> | <b>42</b> |

*Source: Adopted from field study*

## 3.3 Sampling methods

The researcher used simple random sampling method for selecting women and men within the study area. This method was selected because the researcher wanted to give every sample a chance of being selected as a sample for the study.

### 3.3.1 Table 2: *The table below shows the method of respondent's selection*

| Type of respondent | Sample    | Method                 |
|--------------------|-----------|------------------------|
| Women              | 22        | Simple random sampling |
| Men                | 20        | Simple random sampling |
| <b>Total</b>       | <b>42</b> |                        |

*Source: Adopted from field study*

## 3.5 Data collection Method

### 3.4.1 Questionnaires

The researcher used self administered questionnaires structured with alternative responses relevant to the research objectives. These were administered to men and women of small scale business undertakers to generate reliable data to the research questions.

### **3.4.2 Interviews**

Interviews were conducted to collect data from the selected respondents. This method helped the researcher to generate first hand and immediate feedback to the questions probed. Interviews also clarify questions to help the respondents give clear data

## **3.5 Data collection instruments**

### **3.5.1 Questionnaire**

The researcher used structured questioners that investigated the impact of physical location on productivity of small scale businesses in Lira Municipality. The questions had provision for the respondents to insert in the box provided the most appropriate option that suited their opinion. This instrument was used because it saved time by covering a large number of respondents within a short time.

### **3.5.2 Direct Observation**

The researcher observed respondents of different responsibility levels and age brackets as they offer their views and opinions on the subjects of localization and productivity of small scale business. Observation method yielded first hand, accurate and complete information. It was also convenient.

### **3.5.3 Oral Interviews**

The researcher developed an interview guide for purposes of this study. Interviews were conducted in a mutual interaction between the researcher and the appropriate respondents. In which case the researcher endeavored and translated the questions into the local language for purposes of clarity and better understanding for those respondents who could not understand English.

### **3.6 Data collection procedure**

After approval of the research proposal by the supervisor, the researcher obtained an introductory letter from Kampala International University through the Head of Department. The letter was then used to seek for permission from the relevant authorities of the four divisions within Lira municipality which allowed the researcher conduct the research within the intended areas of study.

### **3.7 Data analysis and Presentation**

The data were gathered by the researcher and research assistants through the questionnaires and interviews. The data collected were grouped and tallied into frequencies and percentages, which were then presented as tables, charts and graphs. The researcher used statistical method because it was easier to present large quantities of data and therefore readers to interpret and understand the research findings.

### **3.8 Validity Reliability of research instruments**

The researcher pre-tested the questionnaires by going to the field and administering the questionnaires to 6 potential respondents who did not participate in the final study; this tested the content, language and response. The researcher subjected the research instruments to scrutiny by friends and supervisor then their recommendations were use in designing effective instruments which were issued to the research assistants for administration to randomly selected respondent.

### **3.9 Ethical consideration**

The researcher observed all ethical issues where possible. The confidentiality and anonymity where demanded was adhered to. The researcher was liable to any unethical conduct be they intended or not.

## CHAPTER FOUR

### PRESENTATION, DISCUSSION, AND ANALYSIS

#### 4.0 Introduction

This chapter presents a thorough presentation, Discussion and analysis of the research results. Results are presented in form of tables, Graphs, charts and percentages. Results and discussion are based on the set objectives which were to identify the different types of locations available to small scale business organizations, to establish why small scale business organizations are located in particular types of sites and to establish the relationship between location and productivity of small scale business organizations within Lira Municipality.

#### 4.1 Presentation, Discussion, and Analysis

##### 4.1.1 Socio-Demographic Composition

In this section, data is presented on the Socio-demographic characteristics of the study population (Age, Gender, education) and the status held in the business.

**Table 1. *Showing Age distribution of respondents***

| Years    | No of p/s | Percentage |
|----------|-----------|------------|
| Below 20 | 4         | 9.52       |
| 20-29    | 21        | 50         |
| 30-39    | 16        | 38.1       |
| 40-41    | 1         | 2.38       |
| 50+      | 0         | 0          |

*Source: primary data*

The table 1 above showed that retail store traders varied in their ages. The majority being between 20-29 years (50%), followed by the category of 30-39 years (38.1%), then below 20 years of age (9.52%), and finally the Category



of 40-49 years (2.38%). There was no respondent in the bracket of 50 years or more.

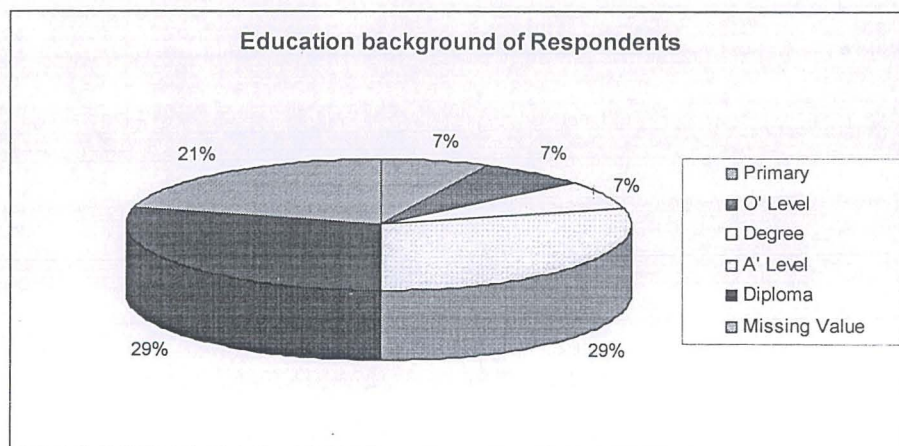
The majority age bracket (20-29) is the most energetic age group in life. The nature of work in retail stores requires persons with physical fitness who can swiftly act with vigor if need be. This largely explains why this age bracket has the highest frequency. This could also be attributed to the expansion of private sector vis-a-vis limited recruitment in Civil service which has gone for some years now.

The minority group (below 20 years) could be attributed to Socio-economic hardships caused by insurgency in Northern Sub-region which has left so many young people on the breadline. Some of them end up doing small retail businesses. The age group of 50 years or more virtually lacks the physical vigor and endurance associated with retail store work. This explains their absence in retail stores.

#### 4.1.2 Educational background

The study looked at the educational background of persons running retail store businesses and the results were as presented in the pie chart below.

Figures 1



Primary

Out of 42 respondents, 86% had attained at least ordinary level certificate of Education. The researcher therefore was confident that respondents had the ability to, and gave well thought answers.

### 4.1.3 Status in Business and gender

Respondents were asked to indicate the status they held in the respective stores as well as their gender. The summary of the responses was as presented in table 2 below.

**Table 2. Status in Business and gender**

n-42

| Status in Business | Gender |        | No of Respondents | Percentage |
|--------------------|--------|--------|-------------------|------------|
|                    | Male   | Female |                   |            |
| Owner              | 24     | 8      | 32                | 76         |
| Employee           | 8      | 2      | 10                | 24         |
| Others             | 0      | 0      | 0                 | 0          |

Source: researcher

Table 2 above showed that 76 percent of respondents were Owners of small scale business organizations (retail stores) while 24 percent were employees. Majority of general merchandise retail stores in Lira municipality are not so large to warrant employment of several staffs to run the business, hence most store are run by their owners.

The table also showed the relationship between gender and status. Most store owners are males (76%) while only 25% are females. 80 percent of Employees are males while only 10% are females.

### 4.2 The different types of locations.

The study sought to identify the different types of locations available to small scale business organizations. Made observations and came out with;

#### **4.2.1 Free Standing Locations**

This type of retail location is basically any stand-alone building. Depending on the landlord, there are generally no restrictions on how a small scale business organisation or retailer should operate his business. It will probably have ample parking and the costs are reasonable. The retailer of a free standing location has to work at marketing to get the customer inside e.g. branding the front part of the building which faces the road.

#### **4.2.2 Home-based**

More and more small scale business organisations (especially women dealing in fast foods as well as men doing carpentry businesses) are getting a start at home. Some may eventually move to a commercial store location, while many remain in the business owner's spare room. This type of location is an inexpensive option, but growth may be limited. It is harder to separate business and personal life in this setup and the retailer may run into problems if there isn't a different address and/or phone number for the business.

#### **4.2.3 Downtown Area**

This type of store location formed another premium choice. However, there appeared to be more freedom and fewer rules for the business owner. In Ojwina and Railways divisions, such locations are most crowded with small inns, eating houses and blacksmiths. However, the lack of parking is generally a big issue for downtown retailers

#### **4.2.4 Shopping Center**

Mini groceries, super markets, fall in this category and are most common within Central division. All the divisions probably have many shopping centers in various sizes. Some shopping centers may have as few as two units or as many ten shops adjoining each other. The types of retailers, and the goods or services they offer, also varied.

4.2.5 Office Building

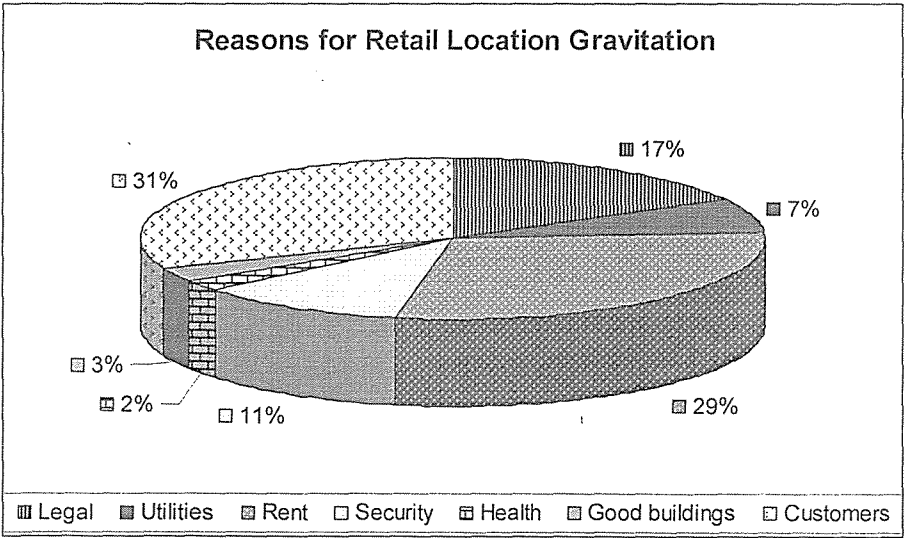
The business park or office building may be another option for a retailer, especially when they cater to other businesses. Video, Entertainment, and secretarial services are the most common in hiring office buildings. The image of the building is usually upscale and professional.

4.3 Reasons why small scale businesses tend to gravitate.

The study sought to establish why small scale business organisations tend to gravitate towards particular types of sites. The respondents were asked to list reasons why they preferred certain locations and sites. The reasons given were recorded, sorted and grouped into major categories.

The reasons obtained revealed that existence of large customers for certain locations is the leading (31 %), followed by rent charges (29 %), then legal requirement (s) and security reasons at 17 percent and 11 percent respectively. Utilities (water, electricity, etc) (7 %), good buildings (3 %) and health (2 %) reasons were predominantly not so important reasons for reasons for retail location gravitation as shown in the chart below.

Figure II



Source: primary data.

Most small scale business organizations are not engaged in activities of high risks or hazardous nature and employed a small number of personnel; an average of two persons. This means health concerns may not so much affect their consideration to draw in a particular location or sites. This explains why health (2 %) is the least reason.

Rent fees charged are also a big reason. Most small scale business organizations possess relatively small capital and operating cash. This explains why it's next after customers. However, by observation, sites and locations with higher rent fees tend to attract fewer small scale retail businesses.

The most important reason for gravitation lies on the large customers (31 %) available for specific locations and sites.

The above paragraph, also answers the research question, 'why do small scale business organisations tend to gravitate towards particular types of locations?'

Large number customers available for specific locations and sites is the major reason followed by others like rent fees, the laws available, utilities present, the buildings and health reasons.

#### **1.4 The relationship between location and productivity.**

In line with the study objective, the relationship between location and the productivity of small scale business organization was studied. Respondents were asked several questions probing on the level of productivity of the business. Using the S.P.S.S. software the respective responses were grouped, transformed and recorded into single variable- productivity. The S.P.S.S. analysis on location and productivity yielded the output below.

#### 4.4.1 Output Relationship between location and productivity

Correlations

| LOCATION     |                     | PRODUCTIVITY |     |
|--------------|---------------------|--------------|-----|
| LOCATION     | Pearson Correlation | 1,000        | 221 |
|              | Sig. (2-tailed)     |              | 165 |
|              | N                   | 42           | 41  |
|              | Pearson Correlation | 1,000        | 221 |
| PRODUCTIVITY |                     |              |     |
|              | Sig. (2-tailed)     | 165          |     |
|              | N                   | 41           | 41  |

The research finding above (output 1) indicates that location positively influences business productivity with a correlations co-efficiency of 16.5%

The relationship can be described as weak correlations and the implication is that location can very weakly influence the level of productivity in business.

The above (output 1) very well answer the research questions C (Is there relationship between location and productivity of small scale business organizations?) and D (What is the nature of the relationship between location and productivity of small scale business).

The answers are;

- 1). Yes, there is a relationship, and
- 2). The nature of the relationship is a positive one.

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

#### 5.0 Introduction

In this chapter, the summary of findings, implications of these findings and possible recommendations for better localization and productivity of small scale business organizations within Lira Municipality.

#### 5.1. Summary of findings

The majority age bracket (20-29) is the most energetic age group in life. The nature of work in retail stores requires persons with physical fitness who can swiftly act with vigor if need be. This largely explains why this age bracket has the highest frequency. This could also be attributed to the expansion of private sector vis-a-vis limited recruitment in Civil service which has gone for some years now.

The minority group (below 20 years) could be attributed to Socio-economic hardships caused by insurgency in Northern Sub-region which has left so many young people on the breadline. Some of them end up doing small retail businesses. The age group of 50 years or more virtually lacks the physical vigor and endurance associated with retail store work. This explains their absence in retail stores.

Depending on the landlord, there are generally no restrictions on how a small scale business organisation or retailer should operate his business. It will probably have ample parking and the costs are reasonable.

#### 5.2 Conclusion

The researcher concluded that Location options are still available in Lira municipality and some real business advantages accrue to small scale businesses due to gravitating in a particular location. E.g. a shop may attract customers by referrals from a nearby shop, operating costs (e.g. hiring security services) may be shared thus lowering unit costs per business and

lobbying power for public goods and services are better for businesses grouped in a location than would be for individual businesses.

Business productivity can be enhanced much as the business may be located anywhere. Retailers should note that location attributes exert minimal impact on the productivity of business. This offers them more flexibility in choosing the shop or store location without significantly compromising the level of business productivity in future.

### **5.3. Recommendations.**

The larger number of business start-ups in Uganda are small scale business organizations, mainly dealing in retailing. In the last one decade government has put emphasis on promoting private sector growth. Though the government has put in place measures to ensure higher business productivity, small scale businesses are still faced with many challenges.

The small scale business entities should organize and register themselves into groups; from local, regional to national level in order to help them reap the benefits of formal trade associations. It will help them to standardize and thus be able to regulate retail trade or small scale trade activities in the best interest of traders and other stakeholders.

The collective power of bargaining for such an association and other benefits it generates are enormous e.g. setting standards for measuring the productivity of different categories of small scale businesses (including general merchandise), gathering trade data and processing them for use primarily by the retailers, bargaining for favourable government policies on taxation, transportation, among others.

- Small scale business owners and managers should do a thorough catchment area analysis and narrow down to the most optimal sites. An optimal location varies for each business. Where the small scale business owners and



business owners and managers cannot do, they should consider employing a professional to carry out the location analysis.

- The small scale business entities should organize and register themselves into groups; from local, regional to national level in order to help them reap the benefits of formal trade associations. It will help them to standardize and thus be able to regulate retail trade or small scale trade activities in the best interest of traders and other stakeholders.
- Small scale business owners and managers should do a thorough catchment area analysis and narrow down to the most optimal sites. An optimal location varies for each business. Where the small scale business owners and managers cannot do, they should consider employing a professional to carry out the location analysis.
- Small scale business operators, owners, and managers should draw attention to the quality of in-store workforce which represents the business. Workforce should be trained either formally or informally to carry out their tasks.
- The researcher recommends that further research on localization and productivity of business organization in Lira District, a case of small scale enterprise in Lira municipality be conducted.

## REFERENCES:

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## APPENDIX I

### BUDGET

| No           | Activity  | Item   | Quantity | Amount           |
|--------------|---|--------|----------|------------------|
| 1            | Proposal writing                                    | Papers | 1 ream   | 10,000/=         |
|              |   | Pens   | ½ dozen  | 3,500/=          |
| 2            | Proposal typesetting and printing                   | -      | -        | 100,000/=        |
| 3            | Printing and photocopying of questionnaires         | -      | -        | 25,000/=         |
| 4            | Research assistant's allowances for data collection | -      | -        | 100,000/=        |
| 5            | Data Analysis                                       | -      | 1        | 60,000/=         |
| 5            | Transport   | -      | -        | 50,000/=         |
| 3            | Communication                                       | -      | -        | 30,000/=         |
| 7            | Report printing and binding                         | -      | -        | 150,000/=        |
| 3            | Facilitation for supervision                        | -      | -        | 100,000/=        |
| 9            | Miscellaneous                                       | -      | -        | 100,000/=        |
| <b>Total</b> |   |        |          | <b>728,500/=</b> |

## APPENDIX II

### TIME FRAME

| Activity  | Duration | Time           |
|---|----------|----------------|
| Approval of the Research Topic                            | 2 weeks  | JUNE 2010      |
| Proposal writing  | 4 weeks  | JULY 2010      |
| Typesetting Printing proposal                             | 4 weeks  | Sept 2010      |
| Submission of 1 <sup>st</sup> draft to the supervisor     | 4 week   | Oct 2010       |
| Submission of the 2 <sup>nd</sup> draft to the supervisor | 4 weeks  | Nov 2010       |
| Submission of the 3 <sup>rd</sup> draft to the supervisor | 1 week   | Nov 2010       |
| Data collection   | 1 week   | September 2010 |
| Data analysis   | 2 weeks  | September 2010 |
| Presenting to the supervisor                              | 1 week   | September 2011 |
| Final research writing                                    | 3 weeks  | September 2011 |
| Handing-in  | 4 weeks  | October 2011   |

APPENDIX III  
QUESTIONNAIRE

Dear Respondent,

I am **AKAO TOPYISTER** a student of Kampala International University (KIU) pursuing Bachelor of Business Administration and carrying out an academic research on Localization and Productivity of business organization in Lira Municipality. You have been selected to participate in the study and I therefore kindly request you to provide an appropriate answer by inserting the best option or give explanation where applicable. The answers provided will only be used for academic purpose and will be treated with extreme confidentiality.

***NB:** Do not write your name anywhere on this paper*

Thanks

**Section (A) personal information**

1) Gender

Male ☐ Female ☐

2) Age

3) Level of education

4) Location of the business

1. What is the name of your business location (Street)?

.....

2. Why have you chosen this place for your business

.....

3. Have you ever changed position of the business?

.....  
.....

a) If yes why

.....  
.....

If No, why

.....

...

4. How long have you been In this type of business

- i) Less than 3 years
- ii) 3-5 years
- iii) 6-10 years

5. Are there some challenges you face as you deal in this business?

Yes ☐ No ☐

6. If yes, what are the challenges facing your business?

.....

7. If no, what are the advantages you are getting from your business?

8.

APPENDIX IV.  
INTRODUCTORY LETTER



**KAMPALA  
INTERNATIONAL  
UNIVERSITY**

Ghaba Road, Kansanga P.O. BOX 200000 Kampala, Uganda  
Tel: +256(0) 41-266813\* Fax: +256(0) 41-501 974  
E-mail: [admin@kiu.ac.ug](mailto:admin@kiu.ac.ug) \* website: <http://www.kiu.ac.ug>

***FACULTY OF BUSINESS ADMINISTRATION***

Date: .....

To: THE TOWN CLERK,  
LIRA MUNICIPAL COUNCIL  
.....

Dear Sir/ Madam,

**RE: INTRODUCTORY LETTER FOR RESEARCH**


This is to introduce to you AKAO TOPYISTER

Reg. No. BBA/26760/82/BU-LR

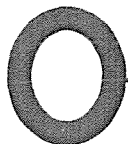
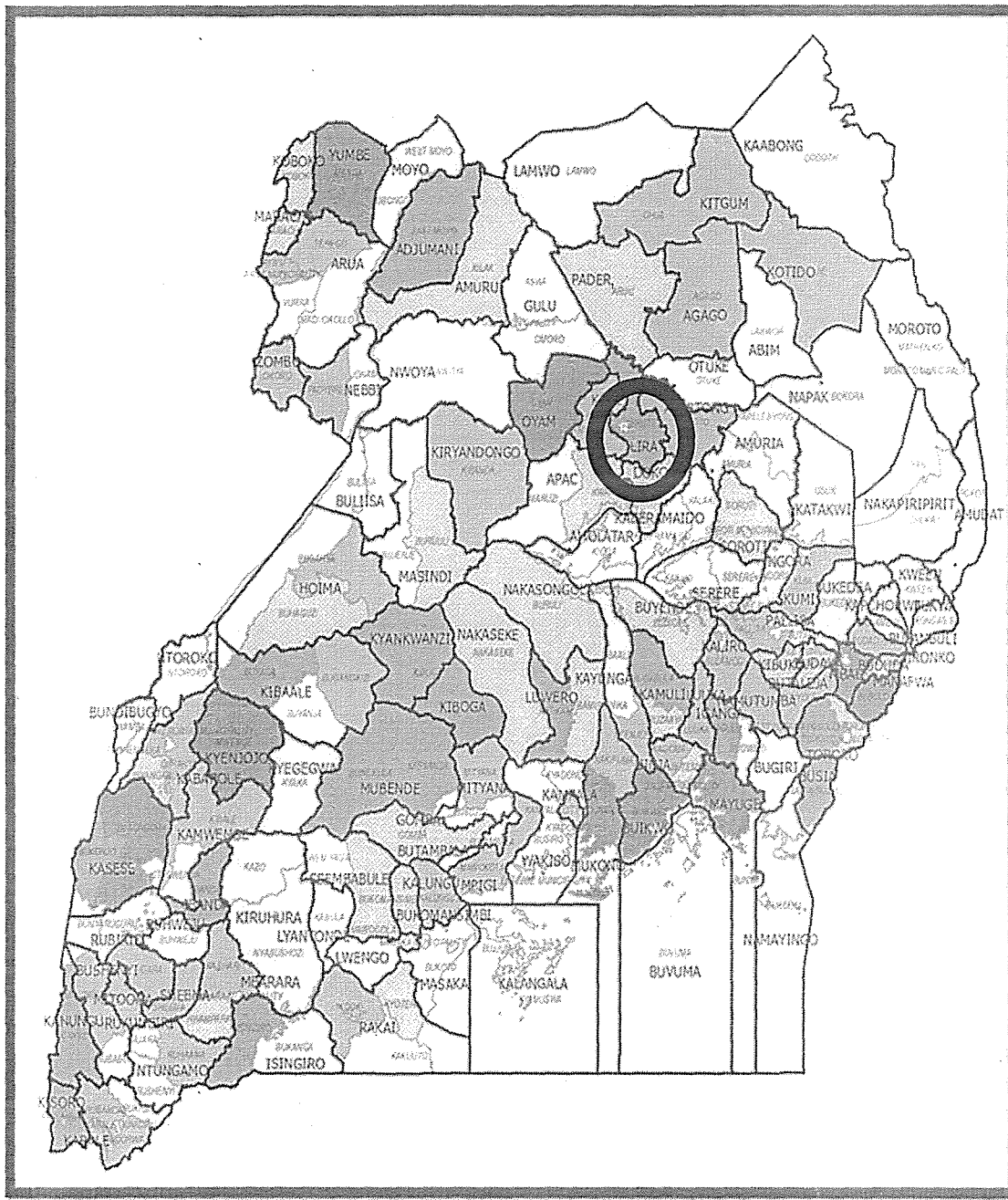
Is a bonafide student of Kampala International University. He/ she is working on a research project for a dissertation which is a partial requirement for the award of a Degree. I hereby request you in the name of the university to accord him/ her all the necessary assistance he/ she may require for this work.

I have the pleasure of thanking you in advance for your cooperation

Thank-you,

  
L.S. Owocye, PhD  
Director CODL.

# MAP OF UGANDA SHOWING LIRA DISTRICT



The study area



[illegible]