



THE EFFECT OF ICT ADOPTION AND PERFORMANCE OF SMALL MEDIUM ENTERPRISES. A CASE STUDY OF IN PALLISA TOWN COUNCIL.

BY

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DECLARATION

DECLARATION

I, DHIKUSOOKA MARTHA NANCY, declare that this research report is my original work and has not been submitted for any award for examination at any institution of higher learning in this or any other university.

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APPROVAL

APPROVAL

This research report is submitted for examination with approval of the undersigned academic supervisor.

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Signature:  Date: 30/08/2024.

DEDICATION

I dedicate this piece of work to my beloved Father Mr. Dhikusooka Jackson and my beloved late mother Mrs. Mutesi Aidah, my sisters and brothers who managed to accord me all the necessary support in my academic endeavors and for having thought of education and introducing me to it at a tender age. May the Almighty God reward your efforts and bless you abundantly. I strongly hold the view that my success is your pride.

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LIST OF ABBREVIATIONS

ICT	Information and Communications Technology
SMEs	Small Medium Enterprises
ISBE	Institute for Small Business and Entrepreneurship
GDP	Gross Domestic Product
TOE	Technology Organization–environment
FY	Financial Year
RPED	Rural Program on Enterprise Development
DOI	Diffusion of Innovation
PTC	Pallisa Town Council
ERP	Enterprise Resource Planning
SPSS	Statistical Program for Social Sciences
C.V.I	Content Validity Index.

ABSTRACT.

The study was carried out with the purpose of examining the effect of ICT adoption on performance of small and medium enterprises in Pallisa Town Council. The objectives for the study were; To assess the impact of software application on the performance of Small medium enterprises in Pallisa Town Council, to investigate the effect of Record keeping and SMEs performance in Pallisa Town Council and to analyze the effect systems integration on the performance of small medium enterprises in Pallisa Town Council. The researcher applied a quantitative technique in designing the research. A total of 60 respondents participated in the study and were selected using stratified random sampling method. The data was collected using close ended questionnaires and statistical package for social sciences was used for analyzing data from which frequency tables, descriptive statistics, reliability, validity, correlation and regression results were obtained. The study findings depict that software application positively impacts on performance and that in order to improve on performance, SMEs need to increase e-commerce, coordination function and doing their tasks using software applications. The findings also demonstrated that record keeping has a positive significant effect on performance. Where concentration on record keeping of small and medium scale businesses, maintains proper records facilitating efficient and timely decision-making and maintenance of accounting records which plays an important role in the performance of small businesses. The researcher therefore concludes that in order to improve performance, SMEs need to propagate reinforce, supplement and extend skills as these will allow them to identify areas for improvement and make necessary adjustments to the integration strategy.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the introduction, background of the study, problem statement, purpose of the study, objectives, research questions, scope of the study, conceptual framework, Significance of the study and definition of key terms.

1.1 Background of the study

Small medium enterprises are businesses that maintain revenues, assets or a number of employees below a certain threshold. Each country has its own definition of what constitutes a small and medium enterprise, Daniel liberto (2024).

SMEs have played a key role in the economies of both developed and developing countries in terms of turnover, level of employment and serve as a mechanism to fight against poverty as evidenced in the literature (Akanji, 2006 ; Akande, 2013). Increasing use of information and communications technology (ICT) by businesses makes it imperative that we develop an enhanced understanding of the impact of ICT adoption by small and medium-sized enterprises (SMEs). Despite a growing repertoire of SME studies, there is a need to create a more targeted body of research on ICT adoption by SMEs in the context of developing and emerging economies. This article extends the work presented at the Institute for Small Business and Entrepreneurship (ISBE) conference by using the technology organization–environment (TOE) framework to understand the adoption and impact of ICT by SMEs in post-apartheid South Africa (Gono et al., 2013, 2014).

Globally, small and medium enterprises are recognized as fundamental elements of growth and development of an economy. This is clearly demonstrated by the fact that 99.8% of the enterprises are small and medium employing 67% of European workers and generate 57% of revenue. According U. K SMEs data statistics (2020) and chart show that there were 598 million private businesses registered and 99.8% were small and medium enterprises with less than 250 employees. The national Bureau of statistics in UK (2015_ 2016) showed a decrease in the

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