

Influence of Strategic Management Practices on the Sustainable Growth of Small and Medium Enterprises in Uganda's Oil and Gas Sector

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**INFLUENCE OF STRATEGIC MANAGEMENT PRACTICES ON THE
SUSTAINABLE GROWTH OF SMALL AND MEDIUM ENTERPRISES IN
UGANDA'S OIL AND GAS SECTOR**

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DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the dissertation itself.

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18-06-2026

Approval

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ABSTRACT

Small and Medium Enterprises (SMEs) play a critical role in Uganda's economic development, particularly in the emerging oil and gas sector, where local content policies have created opportunities for local firms to participate in service provision. Despite this potential, many SMEs struggle to achieve sustainable growth due to limited adoption of structured strategic management practices. This study, therefore, examined the influence of strategic management practices on the sustainable growth of SMEs operating within Uganda's oil and gas sector. Grounded in the Dynamic Capabilities and Institutional Theories, the study focused on four key strategic management practices: environmental scanning, strategy formulation, strategy implementation, and strategy monitoring and evaluation. A descriptive, cross-sectional research design was adopted, and data were collected using structured questionnaires administered to 121 SMEs registered on the Petroleum Authority of Uganda's National Supplier Database and operating within the Central Region of Uganda. Statistical analysis was conducted using SPSS Version 27, including descriptive statistics, correlation, and multiple regression. The findings revealed that all four strategic management practices are positively associated with the perceived sustainable growth of SMEs. Among these, environmental scanning emerged as the strongest predictor, highlighting the importance of continuously monitoring regulatory changes, market conditions, and competitive dynamics in a highly regulated and evolving sector. Strategy implementation and monitoring and evaluation were also found to make meaningful contributions to growth, particularly where firms demonstrated alignment between strategic plans and operational activities. In contrast, strategy formulation showed a comparatively weaker influence, suggesting that the existence of formal plans alone does not guarantee improved performance without effective execution and adaptation. The findings suggested that SMEs should adopt practical, resource-sensitive approaches to strategy. For policymakers, the study recommended targeted support mechanisms that address the structural challenges faced by SMEs, such as provision of practical capacity-building programmes and financial support linked to managerial and organisational development rather than short-term operational needs. In conclusion, the study contributed to the understanding of SME development in emerging and regulated sectors by demonstrating that while strategic management practices are important, their effectiveness is context-dependent and influenced by resource constraints, firm capabilities, and institutional environments. The findings underscore the importance of adopting an integrated yet pragmatic approach to strategy to achieve sustainable business growth.

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ABBREVIATIONS:

DC – Dynamic Capabilities

GDP - Domestic Gross Product

LCPs – Local Content Policies

IT – Institutional Theory

NSD - National Supplier Database

PAU – Petroleum Authority of Uganda

SME – Small and Medium Enterprises

SMPs – Strategic Management Practices

SPSS – Statistical Package for Social Sciences

Ugx – Uganda Shillings

US – United States

DEFINITIONS

Small and Medium Enterprises (SMEs): Are enterprises that employs between five (5) and one hundred (100) employees and or has annual revenue between ten (10) million Uganda Shillings (Ugx) and three hundred and sixty (360) million Uganda Shillings (Uganda Micro, Small and Medium Enterprise (MSME) Policy, 2015).

Strategic Management: A continuous process of environmental scanning, planning, executing and controlling a wide spectrum of plans that give direction to an organization in achieving its strategic objectives in its operating environments (Meresa, 2019).

Strategic Management Practices: as a set of organised managerial processes that allow businesses align their internal capabilities with the external environmental conditions in order to accomplish long-term business growth.

Sustainable Business Growth: “ability of enterprises to continue operating beyond early stages (beyond five years) of development while achieving consistent improvements in key performance indicators such as revenue, profitability, and market share

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DEDICATION

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CHAPTER ONE: INTRODUCTION TO THE STUDY

1.1: Background of the Study

Small and Medium Enterprises (SMEs) play a fundamental role in many countries' economies worldwide and have been proven to be the backbone of many countries' economies through their significant contribution to gross domestic product (GDP), innovation, and the provision of employment to labour force (Kabatunzi, 2022; Gaskins, 2019; Philip M., 2022). The World Economic Forum defines Small and Medium Enterprises (SMEs) according to the number of people employed and the annual revenues of enterprises. A "Small-sized enterprise employs less than 49 employees and or has an annual revenue below \$5 million, while a "Medium-sized enterprise" is one that employs between 50 to 250 employees and or has an annual revenue above \$5 million but below \$50 million" (Rajah & Woeffray, 2022). In the US, SMEs account for about 20% contribution to GDP and employ about 25 million people (Lubowa, 2021).

In Africa, the business environment is predominantly comprised of SMEs accounting for close to 90% of all businesses in Africa (Addae-Korankye & Aryee, 2021). As such, these enterprises comprise the growth engine for many countries in Africa, generating employment opportunities, contributing significantly to the gross domestic product (GDP) of the countries as well as fostering innovation.

Within the East African Region, the situation does not differ. SMEs similarly significantly contribute to employment, innovation and GDP of East African Countries with the contribution reaching as high as 70% contribution to GDP and 90% to employment (Lubowa, 2021). For example, in Kenya, SMEs contribute between 40 – 50% to GDP and 80% to employment, in Rwanda, 20.5% to GDP and 60% to employment, while in Tanzania, they contribute 60% to GDP and 20% to employment (Muriithi, 2017). Uganda in particular, SMEs contribute over 70% to GDP, and 90% to employment and job creation (Ministry of Trade, 2015).

While Small and Medium Enterprises (SMEs) are widely recognised as key drivers of economic growth globally, their ability to achieve sustainable growth remains uneven, particularly in developing economies. In contexts such as Sub-Saharan Africa, structural constraints including limited access to finance, weak managerial capabilities, and inadequate strategic planning continue to hinder SME performance and longevity. In Uganda, these challenges are further intensified by high business failure rates and the predominance of informal management practices, which limit firms' capacity to scale and compete effectively (Lubowa, 2021).

At the same time, the emergence of Uganda's oil and gas sector presents new opportunities for SME participation through local content initiatives. The Government of Uganda has implemented policies aimed at promoting local enterprise participation in the sector by prioritising the use of Ugandan goods, services, and labour (Ministry of Energy and Mineral Development, 2017; Petroleum Authority of Uganda, 2022). However, unlike traditional sectors, the oil and gas industry is characterised by stringent regulatory requirements, high operational standards, and intense competition, requiring firms to possess advanced capabilities to operate effectively. These conditions raise concerns regarding whether SMEs have the necessary strategic capacity to participate meaningfully and achieve sustainable growth.

The Central Region of Uganda provides a particularly relevant setting for examining these dynamics, as it hosts a high concentration of SMEs and serves as the country's primary commercial and administrative hub. It also contains a significant proportion of firms participating in the oil and gas value chain through mechanisms such as the National Supplier Database (Petroleum Authority of Uganda, 2024). This concentration enhances the relevance of studying SMEs within this region while allowing for a more context-specific analysis of their growth challenges and opportunities.

The discovery of commercially viable oil and gas reserves in Uganda has therefore introduced a new economic frontier, presenting both opportunities and challenges for local enterprises. While Local Content Policies have increased SME participation, many firms still struggle to meet the stringent requirements of the sector, including compliance with safety, environmental, and quality standards (Wakwale, 2024; Ombaki, 2019). As a result, participation alone does not guarantee sustainable growth.

SMEs operating in Uganda's oil and gas sector are thus exposed to complex operational demands that require structured and proactive management approaches. Strategic Management Practices (SMPs), including environmental scanning, strategy formulation, implementation, and monitoring and evaluation, are increasingly recognised as essential in enabling firms to align internal capabilities with external environmental demands and enhance long-term competitiveness (Teece et al., 1997).

Despite the growing importance of SMEs in Uganda's oil and gas sector, there remains limited empirical evidence on how these firms apply strategic management practices to support sustainable growth. This gap highlights the need to examine the role of strategic management

practices in improving the performance and long-term viability of SMEs operating within in Uganda's oil and gas sector.

1.1.1: Strategic Management Practices

Strategic management is fundamental to organizations in creating value and supporting key investment decisions (Itohan et al., 2024). There is no standard definition of strategic management that has been adopted worldwide. However, according to Meresa (2019), strategic management is a continuous process of planning, executing and controlling a wide spectrum of plans that give direction to an organization in achieving its strategic objectives in its operating environments. According to Abosede et al. (2018), strategic management encompasses the integration of actions and decisions that drive the development and execution of plans that are designed to achieve an enterprise's goals. Further, Itohan, et al. (2024) attest that strategic management is instrumental in improving customer satisfaction and that it has been found to condense manifestations of unethical practices within organizations.

Forth and Bryson (2019), put particular emphasis on the importance of strategic management as an instrumental tool in the survival and superior performance of an enterprise of any size regardless of future uncertainties, attributed to the competitive advantage that an enterprise receives from the application of the strategic management process.

Strategic management practices in this study are conceptualised as a set of organised managerial processes that allow businesses align their internal capabilities with the external environmental conditions in order to accomplish long-term business growth. Particularly, SMPs are looked at as a combined cycle comprising of four fundamental dimensions environmental scanning; strategy formulation; strategy implementation and strategy monitoring and evaluation, which together, comprise the strategic management process (Omsa et al., 2008; Schuhly, 2022). The conceptualization of SMPs in this study is grounded in the Dynamic Capabilities Theory (DCT) which emphasizes a firm's ability to sense opportunities, seize them, and reconfigure resources in response to changing environments. Environmental scanning corresponds to the "sensing" capability; strategy formulation and implementation reflect "seizing" opportunities, while monitoring and evaluation represent "reconfiguring" organizational processes in line with performance feedback. Additionally, in a highly regulated sector such as oil and gas, Institutional Theory further explains the need for SMEs to adopt structured practices in order to comply with regulatory, normative, and cognitive pressures.

Environmental scanning is defined as a process deployed by SMEs to collect, analyse and interpret information about internal and external environments to identify opportunities and threats, Cheng et al. (2014). The indicators of environmental scanning as a strategic management practice span from competitor analysis in which an enterprise seeks to understand its competitive landscape to inform the organisation's strategic positioning and decision-making. This ensures that the enterprise adapts to dynamics in the market (Cheng et al. 2014).

Strategy formulation, on the other hand is defined as the process of developing long-term strategic plans, targets and strategies, using insights from environmental scanning, to ensure that an enterprise achieves long-term competitive advantage (Palladan & Adamu 2018, Adegboyeg et al., 2021). Strategy formulation indicators are reflected in an organisation's definition of purpose through documented mission and vision statements established to guide the strategic direction of the enterprise. Furthermore, the existence of documented, well-defined strategies that are elaborated into short, medium and long-term goals is a good indicator for practicing strategic management in enterprises (Adegboyeg et al., 2021).

Strategy implementation involves the translation of the formulated strategies into actionable activities through leadership, organisational structure, resource allocation and proper management (Addae-Korankye & Aryee, 2021). Strategy implementation is critical to SME performance and thus, the sustainable growth of SMEs. Strategy implementation indicators often include the presence of implementation plans within an organisation, SMEs purposely allocating resources to ensure execution of initiatives and organisations having the right processes, system and organisational structures (Addae-Korankye & Aryee, 2021).

Strategy monitoring and evaluation as a strategic management practice, involves the continuous assessment of strategy performance and results through performance tracking and feedback mechanisms to ensure consistency with objectives and undertaking of corrective actions. A Study by Meresa (2019) conceptualised the monitoring and evaluation of strategy customer satisfaction, stakeholder management and market share that a firm has.

1.1.2: Sustainable business growth

Sustainable business growth in this study has been defined as the “ability of enterprises to continue operating beyond early stages (beyond five years) of development while achieving consistent improvements in key performance indicators such as revenue, profitability, and market share” (Kibeshi & Nsubili, 2020). To conceptualise sustainable business growth, this study adopted a multi-dimensional construct consisting of financial growth, market growth and

non-financial performance outcomes (Banerjee et al., 2018). Financial growth is related to the business' ability to grow its financial performance overtime and includes increasing revenues, profitability and asset base; market growth captures expansion in market share and customer base; while non-financial performance includes aspects such as customer satisfaction and service quality, which are critical for long-term sustainability.

According to Kiyabo and Isaga (2020), firm growth indicators form some of the most important measures of the performance of an organisation. The duo identified “profit, growth in sales, equity, assets and employees” to be the most common and fundamental measures of firm growth. To Susanto et al. (2023), the main indicators of an organisation's performance are: revenue growth reflected in increased revenues that arise from increased sales and market share, profitability arising from the ability of an entity to generate increased profits, customer satisfaction, which is an indication that a business meets customer needs through provision of adequate goods and services; (Omsa et al., 2018; Susanto et al., 2023). Thus, for this study, sustainable business growth was measured using observable indicators that capture both financial and non-financial performance outcomes, including revenue growth, profitability growth, asset growth, market share expansion, and customer satisfaction.

1.1.3 Context of the Study

This study was anchored within the context of Small and Medium Enterprises (SMEs) operating in Uganda's emerging oil and gas sector, with a specific focus on firms located in the Central Region. SMEs constitute a critical component of Uganda's economic structure, contributing significantly to employment creation, innovation, and overall economic growth. In Uganda, SMEs account for approximately 90% of the private sector and generate a substantial proportion of employment and economic output, making them central to the country's socio-economic development (Ministry of Trade, Industry and Cooperatives, 2015; State of Entrepreneurship Report, 2024). However, despite their importance, many SMEs face challenges related to sustainability and long-term survival, with high failure rates attributed to weak managerial capabilities, limited access to resources, and inadequate strategic planning (Nangoli et al., 2013; Rhouni & Achour, 2026).

The discovery of commercially viable oil and gas reserves in Uganda has introduced a new economic frontier, creating both opportunities and complexities for local enterprises. The sector is regulated by a comprehensive legal and policy framework guided by the National Oil and Gas Policy (2008) and subsequent legislation, which aim to ensure that petroleum

resources contribute to socio-economic development (Ministry of Energy and Mineral Development, 2017). Through Local Content Policies, the government seeks to promote the participation of Ugandan firms in the oil and gas value chain by prioritizing the use of local goods, services, and labour (Petroleum Authority of Uganda, 2022). As a result, thousands of firms, including SMEs, have registered on the National Supplier Database (NSD) to access opportunities within the sector (Petroleum Authority of Uganda, 2024). The Central Region, being Uganda's commercial hub, hosts a significant proportion of these firms.

Despite these opportunities, SMEs operating in the oil and gas sector face a highly dynamic, capital-intensive, and strictly regulated environment. The sector requires compliance with rigorous standards related to quality, health and safety, environmental protection, and operational efficiency (Wakwale, 2024). Additionally, SMEs often compete with well-established international firms and must navigate complex procurement processes and institutional requirements, which can limit their ability to fully benefit from the sector (Ombaki, 2019). These conditions create significant pressure on SMEs to adopt formal and structured management approaches in order to remain competitive and compliant.

It is within this context that Strategic Management Practices (SMPs) become particularly critical. As conceptualised in this study, SMPs comprise environmental scanning, strategy formulation, strategy implementation, and strategy monitoring and evaluation, which collectively enable firms to align internal capabilities with external environmental demands. The relevance of these practices is supported by the Dynamic Capabilities Theory, which emphasizes the ability of firms to integrate, build, and reconfigure resources to respond to changing environments (Teece, Pisano, & Shuen, 1997). Furthermore, Institutional Theory highlights the importance of regulatory, normative, and cognitive pressures in shaping firm behaviour, particularly in highly regulated industries such as oil and gas (Bruton, Ahlstrom, & Li, 2010).

In Uganda's oil and gas sector, SMEs that consistently apply these strategic management practices are more likely to achieve sustainable business growth, characterised by improvements in revenue, profitability, and market competitiveness over time. Conversely, SMEs that lack structured strategic processes often struggle to adapt to environmental changes, limiting their growth potential and long-term survival.

Therefore, the context of this study is defined by the intersection of three key elements: the economic importance and vulnerability of SMEs in Uganda, the opportunities and regulatory

complexities of the oil and gas sector, and the critical role of strategic management practices in driving sustainable business growth. By focusing on SMEs in the Central Region participating in the oil and gas value chain, this study provides a context-specific examination of how strategic management practices influence sustainable business outcomes.

1.2: Problem Statement

Small and Medium Enterprises (SMEs) play a pivotal role in economic development through employment creation, innovation, and contribution to national output. In Uganda, SMEs account for 90% of private sector activity and employment opportunities, making them key drivers of socio-economic transformation (Ministry of Trade, Industry and Cooperatives, 2015; State of Entrepreneurship Report, 2024). Despite this importance, the sustainability and long-term growth of SMEs remain a major concern, as a significant number of these enterprises fail within the first five years of establishment due to managerial inefficiencies, resource constraints, and limited strategic orientation.

Existing literature has consistently identified Strategic Management Practices (SMPs), including environmental scanning, strategy formulation, strategy implementation, and strategy monitoring and evaluation as critical drivers of organizational performance and sustainable business growth. Firms that systematically adopt these practices are better positioned to anticipate environmental changes, allocate resources effectively, and achieve long-term competitiveness (Teece, Pisano, & Shuen, 1997). However, despite widespread acknowledgment of their importance, the adoption of structured strategic management practices among SMEs in Uganda remains low, where such businesses often operate informally and prioritize short-term survival over long-term strategic planning.

This challenge is particularly evident in Uganda's oil and gas sector, which has emerged as a strategic area for national economic growth following the discovery of commercially viable petroleum resources. Through Local Content Policies, the Government has created opportunities for local firms to participate in the sector by prioritizing the use of Ugandan goods, services, and labour (Ministry of Energy and Mineral Development, 2017; Petroleum Authority of Uganda, 2022). While these initiatives have led to increased registration of SMEs on the National Supplier Database, participation alone does not guarantee sustainability or growth. SMEs operating in the oil and gas sector are required to meet stringent standards related to quality, safety, compliance, and operational efficiency, often competing with experienced

international firms (Wakwale, 2024; Ombaki, 2019). This environment requires firms to adopt formal and integrated strategic management practices to remain competitive.

Despite the increasing participation of SMEs in the sector, there remains limited empirical understanding of how strategic management practices influence their sustainable growth within this highly regulated and dynamic environment. Most existing studies have focused on large enterprises or SMEs in traditional sectors such as manufacturing and agriculture, with minimal focus on SMEs operating within the oil and gas industry in Uganda. Additionally, prior research has often examined components of strategic management in isolation rather than as an integrated system, thereby limiting insights into their combined effect on firm growth.

Consequently, there exists a critical research and empirical gap regarding the extent to which integrated strategic management practices contribute to the sustainable growth of SMEs in Uganda's oil and gas sector. This gap limits the ability of SMEs to effectively position themselves within the sector and constrains policymakers in designing targeted interventions to enhance SME competitiveness and sustainability.

Therefore, this study seeks to examine the influence of strategic management practices on the sustainable growth of SMEs providing goods and services to Uganda's oil and gas sector in the Central Region, with the aim of addressing this gap and contributing to both academic literature and policy formulation.

1.3: Research Objectives

The objectives of this study were categorized into general and specific objectives. The general objective summarizes the principal goal of this study, while the specific objectives subdivide the general objective into more particular aims of the research.

1.3.1 General Objective

The overall objective of this research was to assess the influence of strategic management practices on the sustainable growth of small and medium-sized enterprises in Uganda's oil and gas sector.

1.3.2 Specific Objectives

The study sought to specifically achieve the following objectives:

- i. To establish the effect of environmental scanning on the sustainable growth of SMEs in Uganda's oil and gas sector.

- ii. To determine the relationship between strategy formulation and sustainable growth of SMEs in Uganda's oil and gas sector.
- iii. To establish the influence of strategy implementation on the sustainable growth of SMEs in Uganda's oil and gas sector.
- iv. To establish the relationship between strategy monitoring and evaluation and the sustainable growth of SMEs in Uganda's oil and gas sector.

1.4 Research questions

- i. What is the effect of environmental scanning on the sustainable growth of SMEs in Uganda's oil and gas sector?
- ii. What is the relationship between strategy formulation and sustainable growth of SMEs in Uganda's oil and gas sector?
- iii. What influence does strategy implementation have on the sustainable growth of SMEs in Uganda's oil and gas sector?
- iv. What relationship does strategy monitoring and evaluation have on the sustainable growth of SMEs in Uganda's oil and gas?

1.5 Significance of the Study

The study at hand will have profound importance to policy, the SMEs in practice and will further, add to the existent body of knowledge as detailed in the sections below.

1.5.1: Significance to Policy

SMEs form the backbone of many countries' economies. They particularly, contribute about 70% to Uganda's GDP and, as such critical to Uganda's economic development. From a policy perspective, the study offers evidence that may inform the design of SME support initiatives within the oil and gas sector. However, the translation of these insights into policy outcomes is likely to be shaped by institutional capacity, coordination challenges, and resource constraints within the broader regulatory environment. For instance, while capacity-building programmes and information access initiatives may enhance SMEs' strategic capabilities, their effectiveness will depend on factors such as programme accessibility, relevance, and sustained engagement by SMEs. Moreover, regulatory complexity itself may limit the ability of SMEs to fully adopt strategic practices, even where supportive policies exist.

Importantly, the study also highlights that the relationship between strategic management practices and growth is not deterministic. The presence of strategic practices does not guarantee improved performance, as outcomes are influenced by implementation quality, organisational

alignment, and external pressures. This underscores the need to interpret the findings as indicative rather than prescriptive, particularly in contexts characterised by uncertainty and variability.

1.5.2: Significance to practice

Adoption of the recommendations of this study will predictably enhance the survival rates of SME service providers in the oil and gas sector in the Central Region of Uganda. From a managerial perspective, the study provides SMEs with insights into how different strategic management practices may be associated with improved performance. However, rather than assuming uniform benefits, the findings suggest that the adoption and effectiveness of these practices depend on firm-specific conditions, including resource availability, managerial expertise, and operational complexity. For many SMEs, particularly smaller firms, the implementation of formal strategic management processes may be constrained by financial limitations, time pressures, and limited technical skills. As such, the practical value of the study lies not in prescribing universal solutions, but in highlighting adaptive and context-specific approaches to strategy that align with the realities faced by SMEs.

1.5.3: Significance to theory:

Theoretically, the study extends existing literature by examining the applicability of Dynamic Capabilities Theory and Institutional Theory within resource-constrained SMEs. It highlights that while these theories offer valuable explanations of firm behaviour, their practical realisation may be partial and uneven due to limitations in financial resources, managerial capacity, and organisational systems. In doing so, the study contributes to a more context-sensitive understanding of strategic management by demonstrating that the effectiveness of strategic practices is contingent upon both internal capabilities and external institutional conditions.

1.6 Scope of the Study

According to the Uganda Ministry of Trade and Cooperatives, SMEs span across multiple sectors and comprise approximately 49% service sector, 33% in commerce and trade, 10% in manufacturing and 8% in others (Ministry of Trade, 2015). The study will consider service SMEs particularly those that have registered on Uganda's Oil and Gas National Supplier Database (NSD) for provision of services to the oil and gas sector in the Central Region of Uganda. This sector has been given priority because it is a relatively new sector with vast prospective job opportunities to the citizens and local enterprises supported by the established

legal and regulatory framework to support Ugandan firms tap from the benefits of the sector. As such the sustainable growth the SMEs in the oil and gas sector will be critical if Uganda is to obtain the benefits from its oil and gas sector, thus stimulating the researcher's interest in the study of the sector. Additionally, the study will concentrate on the SMEs within the central region of Uganda, given the fact that most of these SMEs are concentrated within this region. A list of the districts that make up the Region is attached in Appendix III.

Several challenges are highlighted in the literature as the drivers for the failure of SMEs. However, the study at hand will concentrate on the effect of strategic management practices on the sustainable growth of SMEs as main studies on the same have concentrated on large companies, paying little attention to the effect of these practices to SMEs, whereas other challenges have been given more attention than strategic management practices in SMEs. The study scope will be cross-sectional time horizon given the time constraints of this research. Longitudinal data has been kept out of the scope given the fact that it needs collection of data at multiple points in time, which may be time-consuming for this research. Thus, the study scope will be limited to cross-sectional data collection.

Additionally, mixed methods, utilizing both quantitative and qualitative methods, would have provided more useful information to understand the influence of strategic management practices on the sustainable growth of SMEs their underlying causes. However, due to time constraints, the study scope will only deploy quantitative methods using a structured questionnaire.

1.7: Chapter Summary

This chapter introduced the framework for the research topic by providing the background of the research topic. It has provided insights into strategic management practices as well as small and medium enterprises in the global, country and sector context. The chapter then delved into the problem that triggered the research, as well as the objectives that the research sought to achieve.

CHAPTER TWO: LITERATURE REVIEW

2.1: Introduction

This section provides a foundation and framework for this research through the review of the relevant literature on strategic management practices and sustainable business growth, with a focus on SMEs operating in dynamic and regulated environments. Firstly, the section introduces and discusses the theories guiding and informing the study, in the form of a theoretical review with particular emphasis on the Dynamic Capabilities Theory and Institutional Theory. It then progresses into the empirical review, which correlates the current study to the continuous dialogue in literature as well as sharing other scholars' studies that are closely related to the one at hand. The section, moreover, builds a conceptual framework from the theories and empirical reviews that cause reason for the need for the study and how the study adequately addresses the specific research objectives.

2.2: Theoretical Review

A theory is a set of interrelated variables modelled into propositions that articulate the correlation among different variables (Creswell & Creswell, 2018). The study was founded principally on two theories; the Dynamic Capabilities Theory (DCT) and the Institutional Theory (IT)

2.2.1: *Dynamic Capabilities (DC) Theory*

Dynamic Capabilities (DC) Theory emerged as a prominent framework for explaining how firms achieve and sustain competitive advantage in rapidly changing environments. The theory was conceived by David Teece, co-authored by Gary Pisano and Amy Shuen, in their paper "Harnessing and Managing Opportunity" (dynamic capabilities) in 1997. In the paper, the trio defined dynamic capabilities as the organization's ability to amalgamate, build and recompose its internal and external capabilities in response to the volatile environments (Kitenga & Kuria, 2014; Teece, 2023). The theory posits that organizational success depends on the firm's ability to sense opportunities and threats, seize opportunities, and reconfigure resources in response to environmental changes (Teece, 2007; Teece, 2023). These capabilities are particularly relevant in volatile and uncertain contexts, such as emerging industries, where firms must continuously adapt to evolving market and regulatory conditions.

In the context of this study, the provided a useful lens for understanding how strategic management practices, such as environmental scanning, strategy formulation, implementation, and monitoring collectively contribute to SME growth. Environmental scanning aligns with

the “sensing” function, strategy formulation and implementation correspond to “seizing,” while monitoring and evaluation reflect aspects of “reconfiguring” organizational processes in response to feedback (Teece, 2007). This framework, therefore, offers a structured explanation of how firms translate strategic actions into performance outcomes.

Sensing refers to a firm’s capability to spot and evaluate the dynamic external environment of a firm, including customer needs, market trends, and technological changes. The spotting of activities is done through collecting customer feedback, scanning the environment and undertaking continuous market research (Rohrbeck & Schwarz, 2020). The sensing of opportunities, achieved through the preceding activities is analogous to environmental scanning, the first stage in the strategic management process.

Seizing opportunities is concerned with the resource mobilisation to leverage on the associated opportunities, being achieved through strategic decision making, resource allocation and forming strategic partnerships (Teece, 2023). The process of seizing opportunities is comparable to the second and third stages of the strategic management process. For a firm to seize opportunities, it requires a strategic plan to be prepared, and this is done through the strategy formulation process of strategic management. The strategic plan is of no value if not implemented. Seizing opportunities, additionally requires the Plan to be actioned to obtain results. As such, the implementation of the strategy becomes an important step in seizing opportunities.

Reconfiguring involves a process in which an organisation revamps its structures and processes to adapt to the changing environment (Teece, 2023). The monitoring and evaluation form a basis for reconfiguration of a firm’s structures and processes in accordance with the needs of the environment. Monitoring and evaluation are the fourth step of the strategic management process. From this analysis, it is evident that DC sets a firm grounding for strategic management process and thus, practices.

Despite its theoretical appeal, the applicability of Dynamic Capabilities Theory to SMEs, particularly in resource-constrained environments, required critical examination. The theory implicitly assumes that firms possess sufficient financial, managerial, and organizational capacity to develop and deploy these capabilities. However, in reality SMEs especially in developing economies which is the case for Uganda, often face significant resource limitations, including restricted access to capital, limited managerial expertise, and underdeveloped organizational systems (Arend & Bromiley, 2009; Bruton, Ketchen & Ireland, 2013). As a

result, SMEs may not be able to fully operationalize all components of dynamic capabilities simultaneously, leading to uneven development across sensing, seizing, and reconfiguring activities.

For instance, SMEs may be relatively strong in “sensing” through informal market interactions and networking, but weaker in “seizing” due to limited investment capacity and constrained in “reconfiguring” due to inflexible or underdeveloped internal structures. This asymmetry challenges the assumption within DC theory that these capabilities operate as an integrated and balanced system. As Teece (2018) acknowledges, the development of dynamic capabilities is both path-dependent and resource-intensive, which may disadvantage smaller firms that lack the necessary absorptive capacity.

Furthermore, there are significant challenges related to the measurement and operationalization of dynamic capabilities. The abstract and multidimensional nature of the concept makes it difficult to measure empirically, and researchers often rely on proxy variables such as strategic practices, innovation activities, or organizational routines (Easterby-Smith, Lyles & Peteraf, 2009). This has led to inconsistencies in how dynamic capabilities are defined and measured across studies, raising concerns about construct validity and comparability of findings. In the context of this study, the use of strategic management practices as proxies for dynamic capabilities provides a practical approach; however, it may not fully capture the underlying processes of resource integration and transformation emphasized in the theory.

Additionally, critics argue that the theory may be tautological, in that successful firms are often inferred to possess dynamic capabilities simply because they perform well (Arend & Bromiley, 2009). This circular reasoning complicates empirical validation and limits the predictive power of the theory, particularly in cross-sectional studies where causality cannot be established. This limitation is especially relevant in the current study, where the relationships observed between strategic practices and growth may not necessarily confirm the presence of dynamic capabilities in a strict theoretical sense.

Despite these limitations, Dynamic Capabilities Theory remains valuable for analysing SME growth in dynamic and regulated environments such as the oil and gas sector. Its emphasis on adaptability, strategic responsiveness, and continuous learning aligns with the realities faced by SMEs operating under uncertainty. However, its application in such contexts should be approached with caution, recognising that resource constraints, contextual factors, and

measurement challenges may affect the extent to which these capabilities can be developed and observed.

In conclusion, while the theory provides a useful conceptual foundation for understanding the role of strategic management practices in SME growth, this study extends the theory by highlighting its context-dependent applicability to the oil and gas industry in Uganda

. Specifically, it suggests that in resource-constrained SME environments, dynamic capabilities may be partial, unevenly developed, and shaped by institutional and operational constraints, rather than fully realized as assumed in the original theoretical formulation.

2.2.2: Institutional Theory

Institutional Theory (IT) provides a framework that defines the ways in which institutions established by laws, norms, practices form social behaviour and business practices (Bruton et al. 2010). The theory provides a strong analytical lens for comprehending how organisational behaviour is shaped by external institutional pressures, in addition to the internal choices of the enterprises. The author postulates that firms survive and grow by attaining legitimacy, where stakeholders perceive them as credible and suitable within their environment. The legitimacy is moreover crucial in highly regulated industries such as the oil and gas industry where SMEs are obliged to adhere to compliance standards and meet the expectations defined within the local content policies enforced by the Petroleum Authority of Uganda (PAU), in the Uganda context. In the context of the current study, the theory expounds why SMEs deploy certain strategic management practices, solely not because of their efficiency, but because they must conform to expectations set by industry actors, regulators and societal norms.

Danjuma et al. (2021) defines IT as the innovative components or competencies with sustainable growth of SMEs that stimulate and encourage management practices that aim at achieving sustainable growth of businesses through the cultural, legal, social, economic incentives and market value (Danjuma et al., 2021). Institution Theory emerged from sociological studies of organisations with earlier works undertaken by Selznick, et al. between the 1950s and 1960s. Further conceptual development arose from contributions of Max Webber on authority and legitimacy Tolbert et al. (2019). The theory subsequently evolved into the cognitive perspective in the 1970s where the works of Meyer and Rowan (1977) and those of DiMaggio and Powell (1983) emphasised the uniformity of business practices (Eitrem et al., 2024). Famously referred to as “neo-institutionalism” in organisational studies, studies before

further evolvement into the newer perspectives of processes that lead to isomorphism and institutional change (Tolbert et al., 2019).

According to Bruton et al. (2010), the theory is grounded on three pillars: the regulatory pillar, the normative pillar and the cognitive pillar. The regulatory pillar principally emanates from government laws and regulations, standards and industry agreements to provide guidelines for novel entrepreneurial enterprises to comply with (Bruton et al., 2010). Within Uganda's oil and gas sector, players in the sector face strict compliance requirements, including registration with the National supplier Database (NSD), safety standards, reporting obligations and national content requirements, enforced by the PAU. Conformance to this legislation enhances legitimacy and provides conditions for sustainable business growth of the SMEs.

On the other hand, the normative pillar is a representation of the individual and organizational behavior that is grounded on mandatory dimensions of professional, social, and organizational interactions. Uganda's oil and gas operators as well as international contractors expect SMEs to exhibit strategic clarity, professionalism and solid governance systems. Strategic Management Practices like strategic planning and performance monitoring support these normative expectations. Such expectations shape behavior of SMEs by elucidating the expected behavior of the different commercial and social circumstances. Further still, cognitive pillar comprises values, norms and shared beliefs that set the expected behavior of people in that setting (Bruton et al., 2010). In the oil and gas sector, cognitive pressures stem from the expectations that SMEs within the sector should be efficient, have a safety culture, continuously improve and be innovative.

Within the context of this study, Institutional Theory is particularly relevant in explaining the adoption of strategic management practices among SMEs operating in Uganda's oil and gas sector. This sector is characterised by strong regulatory oversight, formal licensing requirements, and local content policies, which create a system of institutional pressures that shape firm behaviour. According to Scott (2014), these pressures can be categorised into regulative, normative, and cognitive pillars, all of which influence the adoption of organisational practices.

Regulative pressures, arising from laws, policies, and enforcement mechanisms, are especially dominant in the oil and gas sector. SMEs must comply with requirements set by institutions such as the Petroleum Authority of Uganda in order to access contracts and remain operational. As a result, practices such as environmental scanning and formal strategic planning may be

adopted not purely for performance improvement, but as mechanisms to ensure regulatory compliance and legitimacy (DiMaggio & Powell, 1983). Normative pressures, driven by industry standards and professional expectations, further encourage SMEs to emulate established firms, while cognitive pressures shape shared understandings of what constitutes “proper” strategic management.

Nevertheless, the application of Institutional Theory to SMEs, particularly those operating in resource-constrained environments such as those in Uganda, requires critical examination. The theory assumes that organisations are able to respond effectively to institutional pressures, yet SMEs often lack the financial, human, and organisational capacity required to fully comply with or benefit from these pressures (Bruton, Ahlstrom & Li, 2010). In many cases, SMEs may adopt strategic management practices in a symbolic or superficial manner, for example, developing formal strategic plans or compliance documents that are not actively used in decision-making processes. This phenomenon, highlights a gap between formal adoption and actual implementation (Meyer & Rowan, 1977).

Furthermore, institutional pressures can impose significant costs on SMEs. Compliance with regulatory requirements, participation in certification processes, and adherence to formal strategic standards may require investments that are beyond the capacity of smaller firms. As a result, while institutional conformity may enhance legitimacy and access to opportunities, it may simultaneously create barriers to growth by diverting scarce resources away from core operational activities. This dual effect suggests that institutional pressures are not uniformly beneficial and may generate both enabling and constraining outcomes for SMEs.

Another limitation of Institutional Theory lies in its measurement and operationalization challenges. Institutional constructs such as legitimacy, norms, and cognitive alignment are inherently abstract and difficult to quantify. Empirical studies often rely on indirect proxies, such as the adoption of formal procedures or compliance with regulatory requirements, which may not fully capture the depth of institutional influence (Scott, 2014). This creates challenges in assessing the true impact of institutional pressures on firm behaviour and performance. In the context of this study, the use of strategic management practices as observable indicators of institutional influence provides a practical approach; however, it may not fully reflect the underlying processes of institutional conformity or resistance.

Additionally, critics argue that Institutional Theory may overemphasize conformity and understate agency and strategic choice, particularly in dynamic and competitive environments

(Oliver, 1991). SMEs are not merely passive recipients of institutional pressures; they may actively respond, adapt, or even resist these pressures depending on their capabilities and strategic priorities. For instance, some SMEs may selectively comply with regulatory requirements while prioritising operational flexibility, thereby demonstrating strategic adaptation rather than full institutional conformity.

In emerging economies such as Uganda, where institutional frameworks may be evolving or inconsistently enforced, the explanatory power of Institutional Theory may also be limited. SMEs may face institutional voids, characterised by weak support systems, limited access to reliable information, and uneven policy implementation (Bruton et al., 2013). In such contexts, the adoption of strategic management practices may be influenced as much by informal networks and pragmatic considerations as by formal institutional pressures.

Despite these limitations, Institutional Theory remains valuable in explaining why SMEs adopt certain strategic management practices, particularly within highly regulated sectors such as oil and gas. It highlights the importance of legitimacy and compliance as drivers of organisational behaviour. However, this study extends the application of the theory by demonstrating that in resource-constrained SME contexts, institutional pressures may lead to selective, adaptive, and sometimes symbolic adoption of strategic practices, rather than full and effective implementation.

Thus, while Institutional Theory provides a useful framework for understanding the external drivers of strategic behaviour, its applicability to SMEs must be understood within the constraints of resource limitations, institutional complexity, and contextual variability. The theory is therefore most effective when complemented with perspectives that account for firm-level capabilities and strategic agency.

2.2.3: Theoretical Foundation

The Dynamic Capabilities Theory and Institutional Theory jointly provide a comprehensive framework for explaining the relationship between strategic management practices and sustainable business growth in this study.

Dynamic Capabilities Theory explains how SMEs develop the internal capabilities required to respond to environmental changes through strategic management practices. Specifically, environmental scanning, strategy formulation, implementation, and monitoring enable SMEs to sense, seize, and reconfigure resources in ways that enhance performance and support

sustainable growth. This makes the theory particularly relevant in explaining the mechanisms through which SMPs influence firm growth.

On the other hand, Institutional Theory explains why SMEs adopt these practices within the context of Uganda's oil and gas sector. The presence of regulatory frameworks, Local Content Policies, and industry standards creates external pressures that compel firms to formalize their management practices in order to achieve legitimacy, access opportunities, and remain competitive.

Together, these theories provide both an internal capability perspective (Dynamic Capabilities) and an external environmental perspective (Institutional Theory). This dual perspective is critical for understanding how SMEs not only build the capacity to grow but also respond to the institutional demands of the oil and gas sector.

Therefore, the study is anchored on the premise that SMEs that adopt and effectively implement strategic management practices through sensing, seizing, and reconfiguring capabilities, while aligning with institutional requirements are more likely to achieve sustainable business growth.

2.3: Empirical Review

This section provides a systematic evaluation of past studies with the purpose of addressing the current study research questions. The review enabled the identification of research gaps while providing a better understanding of the influence of strategic management practices on the growth of SMEs.

2.3.1: Environmental Scanning and sustainable growth of SMEs

A substantial body of empirical research highlights the importance of environmental scanning in enhancing the growth of SMEs. Environmental scanning is the process of exploring and gathering data on occurrences, developing trends and fluctuations in the firm's external and internal environments to inform the enterprise's prospective courses of action and decisions (Schuhly, 2022; YahiaMarzouk & Jin, 2022). According to Schuhly (2022), it is critical for a firm to fully comprehend its external environment as well as the dynamic changes, given the external environment's importance to business growth and success. YahiaMarzouk and Jin (2022) further opined that a firm with good relations with its environment was better placed to understand the environment and thus enhances the chances of adapting to, and its growth within the environment.

Studies have shown that firms that actively monitor external environments are better able to anticipate market opportunities, respond to threats, and maintain competitiveness (YahiaMarzouk & Jin, 2022; Sekere et al., 2023). In dynamic and uncertain environments, environmental scanning enables firms to reduce information asymmetry and improve decision-making, thereby contributing positively to growth outcomes.

A firm that undertakes continuous environmental scanning, gains very useful information that protects it from unpleasant uncertainties, enables the firm to spot threats and opportunities, and enables it to further make data-driven short and long-term planning, which, when combined, provides a competitive advantage to the firm (YahiaMarzouk & Jin, 2022).

Prior empirical studies operationalised environmental scanning using multidimensional indicators, including the frequency, scope, and sources of information gathering, as well as the utilisation of environmental insights in decision-making (Daft et al., 1988; Subramanian et al., 1993; Beal, 2000). These indicators typically capture firm activities such as monitoring competitors, tracking regulatory changes, and analysing market trends, measured using perceptual Likert-scale items.

A study undertaken in Nigeria by Ikebujo (2020) conceptualised the internal factors for environmental scanning to include the firms' resources, core competencies, the structure and culture of the organization as well as the management style in the organization (Ikebujo, 2020).

Furthermore, Sekere et al. (2023) undertook a study on Kenyan manufacturing SMEs, where they operationalised, environmental scanning using two variables, internal environment was studied using structure and resources of the SMEs to measure their internal environment scanning (Sekere et al., 2023). The study concluded that environmental scanning had a great positive influence on the performance of SMEs in Kenya and thus, firm leaders needed to be aware of their internal and external environments through regular scanning of their business environments (Sekere et al., 2023).

Despite several studies reporting strong positive relationships, the empirical evidence is not entirely consistent. Other empirical studies suggest that the effectiveness of environmental scanning may depend on firm capacity and context. For instance, Wang et al. (2025) argue that extensive scanning may be resource-intensive and may not yield proportional benefits for smaller firms with limited absorptive capacity. Similarly, some studies indicate that SMEs often rely on informal and ad hoc scanning mechanisms, which may limit the strategic value derived from environmental information.

Contradictory evidence further suggests that environmental scanning may not always yield positive results. Wang et al. (2025) argue that without sufficient absorptive capacity, firms may be unable to translate information into actionable strategies, rendering scanning activities inefficient. This limitation is especially relevant for SMEs in Uganda's oil and gas sector, where regulatory complexity and limited technical expertise may constrain effective utilisation of environmental data.

Thus, while environmental scanning is widely associated with improved performance, its effectiveness in resource-constrained SMEs is likely conditional on access to information, managerial capability, and institutional support, factors that are often underexplored in existing studies. Moreover, empirical studies tend to measure environmental scanning using self-reported frequency or perceived effectiveness, which introduces measurement bias and limits comparability across studies (Easterby-Smith et al., 2009). Such operationalization may not capture the quality or strategic use of information, which is particularly critical in SMEs.

2.3.3: Strategy formulation and sustainable growth of SMEs

Strategy formulation has for long been regarded as a central determinant of firm growth. Firms engage in strategy formulation to alleviate qualms that may arise from the business environment (Schuhly, 2022). Itohan et al. (2024), define strategy formulation as a process that entails the systematic development of a business' purpose, objectives and policies as part of the long-term planning for the business. According to Schuhly (2022), strategy formulation is the preparation of long-term plans that are aimed at effective management of opportunities and threats identified in environmental scanning considering the company's strengths and weaknesses.

Empirical studies suggest that organisations with clearly defined missions, visions, and strategic objectives are more likely to achieve sustainable growth, as these provide direction for resource allocation and decision-making (Itohan et al., 2024; Schuhly, 2022). Structured planning processes are also associated with improved coordination and long-term competitiveness.

Meresa (2019) argued that strategy acts as a linkage between an organization and its external environment, and the linkage is reflected in approaches assumed by a company's management to achieve the requisite performance, thus growth. She further affirmed that strategy formulation is representative of the leadership's commitment to pursue specific courses of action to promote business growth, customer satisfaction, efficient operations and successful

competition, which all combined, improve overall company financial and market performance, consequently leading to the survival of SMEs.

This position is affirmed by Gure and Karugu (2018), in their 2018 research on strategic management practices and performance of small and medium enterprises in Nairobi County – Kenya, where they reiterated that an enterprise that has a systematic strategic plan that guides its operations has a better competitive advantage, giving it superior performance and consequently, the survival of the enterprise.

Earlier empirical studies operationalised strategy formulation through the activities that comprise of the strategy formulation process to include: strategy purpose development, formulation of strategic objectives, integration of external and internal environmental data and selection of the strategy (Mashingaidze & Chinakidzwa, 2021). The study established a significant positive influence of the strategy formulation process on the performance of SMEs.

A study on Strategic Management and Organisational Performance in Cadbury Nigeria, PLC by Adegboyeg et al. (2021), operationalised strategy formulation using indicators such as a company having documented vision, mission and objectives and defining of actions to attain the objectives. The study concluded that strategy formulation is an important practice that enhances the performance of Cadbury Nigeria PLC.

Another study that was aimed at establishing the relationship between strategic management processes and Performance of Small and Medium-Enterprises in Uganda, Okucu et al. (2023), focussed on finding the effect of strategic formulation on the performance of agro-processing SMEs in Lira city, in which, strategy formulation was operationalised through long-term objectives, Company Vision and Mission as well as the involvement of employees in strategy formulation. These previous studies underscore the presence of the Vision and Mission, setting strategic objectives as well as involvement of stakeholders. As such these will be used to operationalise the study at hand.

Although several empirical studies have pointed at positive association of strategy formulation to business growth, a growing body of literature challenges the universal effectiveness of formal strategy formulation, particularly in SME settings. Studies by Okucu et al. (2023) and Alemu (2025) report that the presence of formal strategic plans does not necessarily translate into improved performance, especially where firms lack the capacity to implement such plans effectively. This suggests that the value of strategy formulation is contingent upon execution capability, rather than the mere existence of plans.

Additionally, empirical research indicates that majority of SMEs often adopt informal or simplified planning approaches, reflecting their limited resources and dynamic operating environments. While such flexibility can enhance responsiveness, it may also result in weak strategic coherence. Moreover, some studies argue that formal planning may even constrain adaptability in highly uncertain environments, indicating that the relationship between strategy formulation and performance may be context-dependent and non-linear.

Furthermore, in resource-constrained environments, SMEs often engage in informal or intuitive planning rather than structured strategic processes, raising questions about how strategy formulation should be measured. Many studies rely on proxies such as the existence of mission statements or written plans, which may not reflect actual strategic thinking or usage in practice. This creates operationalization challenges, as the presence of formal plans does not necessarily indicate strategic effectiveness.

2.3.4: Strategy Implementation and sustainable growth of SMEs

Strategy implementation is increasingly being recognised as a critical determinant of organisational success, often considered more important than strategy formulation itself. A well-framed strategy on paper cannot yield the desired success until it is effectively executed (Horsfall & Onuoha, 2023). Strategy implementation, according to Itohan et al. (2024), involves operationalizing the planned strategies and integrating them into the daily and routine activities of a firm to achieve a competitive advantage over other firms, Itohan et al. (2024). At this stage of the strategic management process, the planned strategies are transformed into actionable programs, procedures and budgets (Schuhly, 2022).

Empirical studies consistently show that firms that effectively align resources, structures, and processes with strategic objectives tend to outperform their counterparts (Meresa, 2019; Horsfall & Onuoha, 2023). Implementation effectiveness has been linked to factors such as leadership, communication, and organisational alignment.

Failure to execute strategy effectively renders the efforts deployed in environmental scanning, strategy formulation and setting organizational direction, useless as the intended success will not be achieved (Meresa, 2019). Thus, effective implementation of the strategy is essential for the survival of SMEs as it involves the actual execution of all initiatives that lead to a company's superior performance and hence survival of SMEs and other enterprises.

Horsfall and Onuoha (2023) and Meresa (2019) alluded to the fact that developing a culture that supports the implementation of the strategy is fundamental to the growth of a business.

These two scholars operationalised strategy implementation through indicators such as firms possessing the requisite resources, systematic decision-making process, favourable culture and clear firm structure.

A study by Mubanga and Lesa (2024) identified three indicators of strategy implementation to be effective leadership, organizational culture and resource allocation. This study established that effective leadership is a source alignment of all employees to the strategic direction of the company ensuring that all move in the same direction (Mubanga & Lesa, 2024). Furthermore, the study highlighted leadership skills that are critical to strategy implementation to be promotion of teamwork, coordination, motivation and establishment of controls.

Mubanga and Lesa (2024) further operationalised strategy implementation by organizational culture as a key indicator of strategy implementation. The study established that 86% of successful firms possess an organizational culture that is in alignment with the strategy (Mubanga & Lesa, 2024). Organizational culture includes shared values, beliefs, principles and behaviours that guide an organization and, in many cases, promote teamwork because employees share the same values (Mubanga & Lesa, 2024).

Furthermore, the study operationalised strategy implementation by the resource allocation in strategy implementation. The assessment indicated that effective strategy implementation necessitates the allocation of resources: labour (skills and competencies), finances and tools (technological) to support strategy implementation. Since such resources are scarce, communication about resources and their allocation is very vital and as such, management should be intentional in carefully allocating resources appropriately and communicating the same (Mubanga & Lesa, 2024).

In a study that established the relationship that exists between strategic management processes and achievements of SMEs in Uganda, strategy implementation was operationalised through SMEs' organizational structures, organizational cultures, communication, resource allocation, and performance of the organisation. Like many previous studies, this study's results revealed that strategy implementation had a strong positive correlation with SME performance, Okucu et al. (2023).

From the empirical review undertaken on strategy implementation, it is evident that the major indicators for execution of a strategy include the presence of an implementation plan to guide execution, adequate allocation of resources, effective leadership, organisational structures and

systems, as such, these will be used in the current study to measure strategy implementation and its effect on the sustainable growth of SMEs that deploy this practice.

However, despite the importance of strategy implementation, , it remains one of the most challenging aspects of strategic management, particularly for SMEs. Research indicates that many organisations fail not due to poor strategies, but due to ineffective execution. SMEs, in particular, face constraints related to limited financial resources, inadequate managerial skills, and informal organisational structures, which hinder their ability to implement strategies consistently and effectively. This raises concerns about the generalisability of findings derived from well-resourced firms to SMEs operating in more constrained environments.

Additionally, empirical studies often measure implementation using perceptual indicators such as degree of implementation effectiveness, which introduces subjectivity and potential response bias. Few studies capture actual implementation outcomes or process-level dynamics, limiting the depth of understanding.

Contradictory findings also exist in the literature. Some studies suggest that implementation efforts may not immediately translate into improved performance, especially where the costs of implementation outweigh short-term benefits (Ates & Bitici, 2022). This highlights the possibility that the impact of implementation may be time-dependent, requiring longitudinal analysis to fully capture its effects.

In the context of Uganda's oil and gas sector, implementation challenges may be amplified by regulatory requirements, contract compliance obligations, and capacity limitations, suggesting that the effectiveness of strategy implementation is likely to vary significantly across firms.

2.3.4: Strategy monitoring and evaluation and sustainable growth of SMEs

Empirical evidence indicates that monitoring and evaluation contributes to growth of firms through tracking progress and making corrective adjustments (Schuhly, 2022). Monitoring and evaluation are critical components of the strategic management process, enabling organisations to track performance, identify deviations, and make corrective adjustments. Empirical evidence suggests that firms that actively monitor key performance indicators and incorporate feedback into decision-making tend to experience improved performance outcomes (Schuhly, 2022).

Itohan et al. (2024) defined strategy evaluation as the organized and logical analysis of the formulated strategy to establish the implementation effectiveness.

In the monitoring and evaluation stage of the strategic management process, the objectives set at the beginning of the planning cycle are compared with the actual outcomes to spot any variations from the plan, which helps in the identification of areas of good progress, problematic areas and deviations to modify the strategy and its implementation (Schuhly, 2022; Meresa, 2019). For monitoring and evaluation to be effective, clear and accurate data and performance standards should be available to inform the comparison with the set goals. Itohan et al (2024) identify evaluation methods that are useful in assessing the implementation of the strategy including financial analysis, operations research and time-series methodologies.

Monitoring and evaluation of strategy enable businesses to stay focused on long-term performance objectives of the organization; it supports the effective communication of strategy across the enterprise, predicts prospect performance as well as improves affiliation between strategy and organization learning, which together lead to performance effectiveness, thus, leading to the survival of SMEs, Itohan et al. (2024).

Adegboyeg et al. (2021) operationalized monitoring and evaluation of strategy using indicators such as assessing customer feedback on an organization, allocation of resources and the association that exists between monitoring and evaluation on performance efficacy (Adegboyeg et al., 2021).

A comparable Study by Meresa (2019) operationalised the evaluation of strategy using the “Balanced Scorecard performance management tool”. The tool assessed four perspectives: Financial perspective where metrics such as economic value added, costs, growth of revenues, , the net cash operating income and profit margins were assessed; Customer perspective which defined the organisation’s unique selling proposition to the customer, customer satisfaction, stakeholder management and market share; Business processes perspective which assessed efficiency and usefulness of the organisation’s processes; and Learning and Development perspective which assesses and builds competencies of the human resource.

From the assessment of the studies, the scholars present different perspectives of measuring strategy monitoring and evaluation, however, the perspectives present measurement elements common to both and as such the common indicators were adopted for the current study. Consequently, strategy monitoring and evaluation in this study was operationalised through profitability, revenue growth, asset growth, market share and customer satisfaction feedback.

Contradictory studies, however, show that while SMEs frequently collect performance data such as customer feedback, they may lack the systems or expertise required to analyse and

utilise this information effectively. As a result, monitoring activities may not always lead to meaningful strategic adjustments.

Additionally, some research highlights that performance monitoring can result in information overload if not properly structured, particularly in smaller firms (Easterby-Smith et al., 2009). This suggests that the relationship between monitoring and performance is influenced by how effectively firms are able to convert information into actionable insights.

In highly regulated sectors such as oil and gas, monitoring and evaluation may also be driven by compliance requirements rather than strategic learning, raising questions about its direct contribution to growth. Thus, the relationship between monitoring and performance may depend on whether evaluation processes are used strategically or merely for reporting purposes.

In conclusion, overall, empirical literature suggested a positive association between strategic management practices and firm growth. However, several critical limitations and gaps emerged: firstly, much of the existing evidence is derived from contexts that differ significantly from Uganda's oil and gas sector, limiting the direct transferability of findings. Differences in regulatory intensity, access to resources, and institutional support structures may significantly influence how strategic practices operate in practice.

Additionally, the literature often assumed that firms have the capacity to implement strategic practices effectively, overlooking the constraints faced by SMEs, including financial limitations, managerial capability gaps, and institutional challenges.

Furthermore, the empirical literature reviewed considered strategic management practices analysis in isolation, with limited attention to their interactive and systemic nature, particularly in dynamic and regulated environments.

These gaps highlight the need for context-specific research that examines how strategic management practices operate within resource-constrained SMEs in emerging economies, while accounting for institutional pressures and measurement limitations. The present study addresses these gaps by focusing on SMEs in Uganda's oil and gas sector and adopting a structured yet context-sensitive approach to analysing strategic management practices and their relationship with sustainable growth.

The table 2.1 below shows a summary of empirical studies reviewed and research gaps identified in the review of literature.

Table 2.1: Summary of empirical studies and research gaps

Author and year	Topic	Key findings	Research Gap	How current study bridges the gap
Akidi Shalom Okucu1; Akello Judith Abal (PhD); Nsisi Christine	“Strategic Management Processes and Performance of Agro Processing of Small and Medium-Term Enterprises in Uganda” (Okucu & Akello Judith Abal, 2023)	The findings revealed that monitoring and evaluation and strategic implementation are fundamental predictors of SME performance.	This study only focussed on the SMEs in the Agro-Processing sector as such, the findings of the sector may not apply across SMEs in the Oil and Gas industry. The study did not consider environmental scanning to be part of the strategic management practice.	This study at hand focuses on the SMEs in Uganda’s oil and gas industry. The study, will additionally, consider the influence of environmental scanning on the performance of SMEs in the sector.
Horsfall Sunday and B. Chima Onuoha (2023)	“Strategic Management and Corporate Performance of Oil and Gas Servicing Firms in Rivers State” (Horsfall & Onuoha, 2023).	The study revealed the existence of a strong correlation between strategic management and “corporate performance of Oil and Gas Servicing Firms in Rivers State” (Horsfall & Onuoha, 2023).	The dependent variable was operationalised using operational efficiency and goal attainment, thus missing the financial measures of corporate performance	The study at hand has operationalised the dependent variable using financial measures of profitability and increase in revenue as well as non-financial measures such customer satisfaction and market share.
Iyobhebhe Itohan, Sharon John-Igbiele and	“Strategic Management Practices as Fundamental to the Achievement of Organizational Performances” (Itohan,	The study's findings revealed a significant relationship “between strategic management practices of strategy formulation, implementation, and evaluation and organizational performance”	The study does not consider a very important step of the strategic management process – environmental scanning which is, in fact, supposed to	This study has put into consideration the environmental scanning variable so as to have a wholistic view of the influence of the strategic management

Fowosere Sherifat Olayinka (2024)	John-Igbiele, & Olayinka, 2024)	(Itohan, John-Igbiele, & Olayinka, 2024) using profitability, productivity, and operational performance	inform the proceeding steps of the strategic management process	practices on the sustainable growth of SMEs.
Alex Addae-Korankye and Bernard Agyei Aryee (2021)	“The Relationship between Strategic Management Practices and the Growth of Small and Medium Enterprises (SMEs) in Ghana” (Addae-Korankye & Aryee, 2021)	The study established that there is a significant positive relationship between strategy formulation and growth of SMEs in Ghana.	The study’s findings only considered SMEs registered and located in the Central Business district of Accra - Ghana which had been in operation for at least three years, as such, the conditions in the central business district (CBD) may be different from SMEs operating outside the CBD as such, the findings of the study will not be representative of SMEs outside the CBD. The study was limited to strategy implementation and strategy monitoring and evaluation	The study at hand is considering registered companies on the National Supplier Database whose members are Limited within the central region of Uganda Study also includes environmental scanning and strategy formulation processes in addition to those applied by the Ghanaian study.
Ali Khalif Gure and Dr. Janesther Karugu	“ Strategic Management Practices and Performance of Small and Micro Enterprises in	The study concluded that “low-cost leadership strategy, differentiation strategy, focus strategy and combination strategy significantly influenced the organizational	The study only considered SMEs within the Service and Manufacturing sectors in the sub-counties of Nairobi County. This implies that the findings of the study are limited only to SMEs in the service and	The current study thus will navigate another sector – SMEs in the Oil and gas sector in the Central Region of

	Nairobi City County, Kenya” (Gure & Karugu, 2018)	performance of SMEs in Nairobi City County, Kenya” (Gure & Karugu, 2018)	manufacturing sectors and irrelevant to other sectors.	Uganda., where the results of the Nairobi Study do not apply.
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Source: Researcher (2026)

2.4: Operationalisation of variables and the Conceptual Framework

The conceptual framework for this study illustrates the hypothesised relationships between strategic management practices as independent variables and sustainable business growth as dependent variable among SMEs operating in Uganda's oil and gas sector. The framework is grounded in Dynamic Capabilities Theory and Institutional Theory, which together provide complementary explanations of how internal capabilities and external pressures influence firm performance.

In this study, strategic management practices were operationalised through four key components: environmental scanning, strategy formulation, strategy implementation, and strategy monitoring and evaluation. These practices represent the core stages of the strategic management process and are conceptualised as mechanisms through which firms adapt to their environment and align internal resources toward achieving sustainable growth.

At the same time, the adoption and effectiveness of these practices are influenced by institutional pressures arising from the regulatory, normative, and cognitive environment in which SMEs operate. In Uganda's oil and gas sector, firms are subject to formal regulations, local content requirements, and industry norms, which shape their strategic behaviour. Thus, while strategic management practices may enhance performance, they are also adopted as mechanisms for achieving legitimacy and compliance, as explained by Institutional Theory.

The table 2.2 below provides a summary of the key indicators that have been adopted as measures of the strategic management variables that have been used in the operationalisation of the study variables.

Table 2.2: Summary table for operationalization of Study Variables

Research Variable	Variable Indicator	Source	Measurement
Dependent Variable: Sustainable firm growth is a result of application of strategic management practices in SMEs	○ Growth in revenues ○ Improvement in profitability ○ Growth in assets ○ Market share ○ Customer satisfaction	(Banerjee et al., 2018), Kiyabo and Isaga (2020) Susanto et al. (2023)	Likert 7-point Scale
Independent Variables: a) Environmental scanning	○ Employee skills and competencies ○ Organisational Culture ○ Leadership capability ○ Competitor analysis Market trends	○ (Ikebujo, 2020), (YahiaMarzouk & Jin, 2022)	Likert 7-point Scale
b) Strategy formulation	○ documented Vision and Mission Statement ○ Strategic plan ○ Stakeholder involvement	○ (Adegboyeg, Oluwole, Oluyemi, Jamiu, & Aremu, 2021); (Okucu, Abal, & Nsisi, 2023)	Likert 7-point Scale
c) Strategy implementation	○ Implementation Plan ○ Resource allocation ○ Organisational structures aligned to strategy ○ Systems, processes and structures for strategy implementation ○ Effective Leadership	○ (Mubanga & Lesa, 2024)	Likert 7-point Scale
d) Strategy monitoring and evaluation	○ Customers satisfaction surveys and feedback such as complaint logs ○ Changes in revenues ○ Efficiency of processes ○ Performance appraisals	(Meresa, 2019); (Adegboyeg, Oluwolw, Oluyemi, & Jamiu, 2021)	Likert 7-point Scale

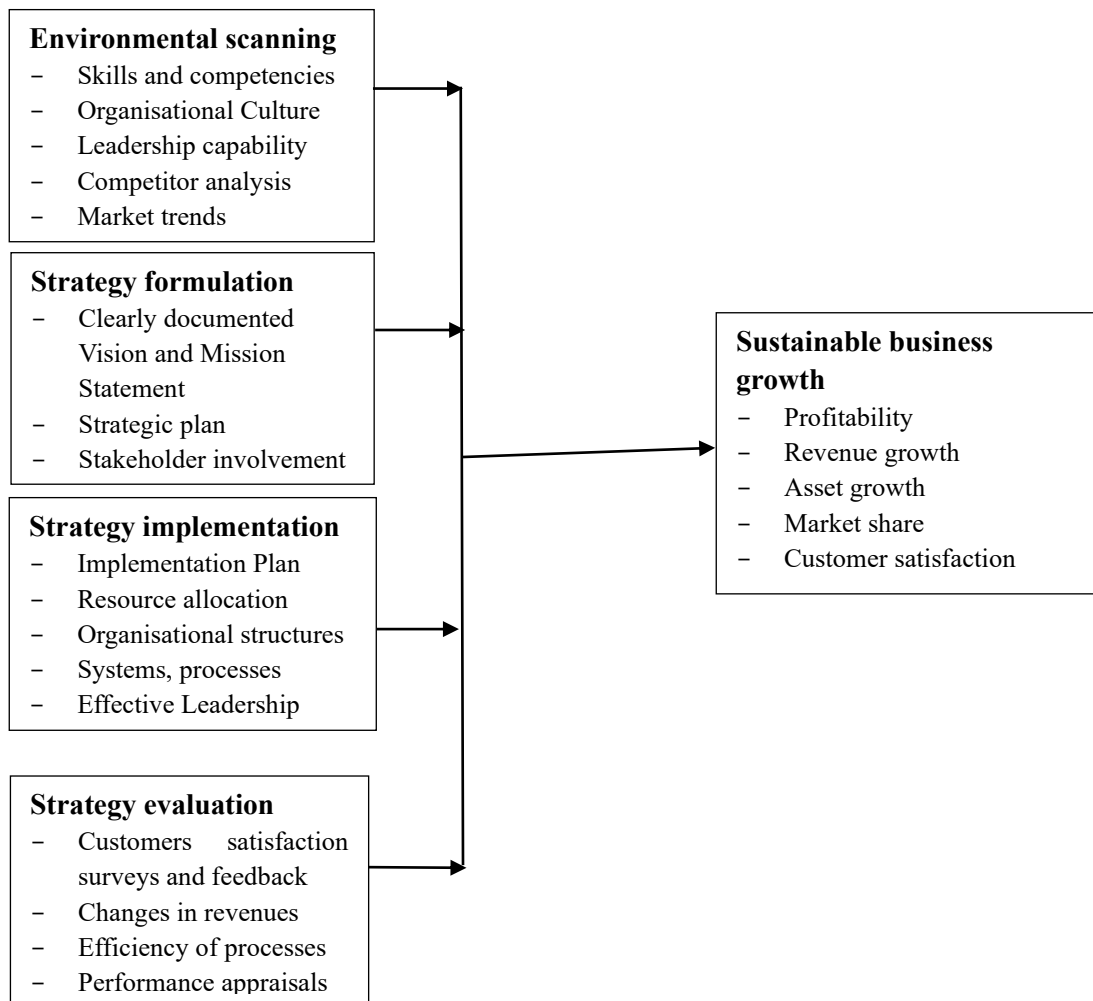
Source: Author (2026)

A conceptual framework is a framework that builds a case for the reason why a study is important and for how the study design appropriately addresses the research questions. The framework includes constructs that overlap, inform and impact each other (Creswell & Creswell, 2018). In accordance with the DC theory, superior competitive advantage that is essential for sustained business growth is derived from the enterprise's ability to sense and grasp opportunities and threats as well as reconfigure strategic direction, scanning of the environment, strategy formulation and implementation and monitoring and evaluation are in alignment with the sensing, seizing and reconfiguration, respectively and as such will form the independent variables. Sustained business growth is because of the competitive advantage gained from the deployment of the strategic management practices which thus form the dependent variable. This conceptual framework reflects the independent and dependent variables of the study.

This conceptual framework depicts that sustainable growth of SMEs providing goods and services to the oil and gas sector can be attained through the application of the different elements of strategic management including environmental scanning, strategy formulation, strategy implementation as well as strategy evaluation.

The conceptual framework in figure 2.1 below proposes that strategic management practices are positively associated with sustainable business growth. Sustainable growth in this study is reflected through indicators such as increased revenue, improved profitability, customer satisfaction, growth in market share, and asset base growth. However, the relationship is not assumed to be linear or uniform across all firms.

Figure 2.1: Conceptual framework



Source: Researcher (2026)

2.5: Chapter Summary

The literature review chapter has majorly explored both theoretical and empirical reviews of literature related to SMPs and how they influence the sustainable growth of SMEs. The study was grounded on two theories; the DC theory and IT. Earlier studies closely related to strategic management practices and their impact on growth of SMEs have been critically reviewed to inform measurement of the different variables. The chapter then ends with the development of a conceptual framework containing variables that will be considered for the study.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1: Introduction

This research methodology chapter provides the details of how the data used in the study was collected and analysed. The chapter presents the research design, the population considered in the study and the corresponding sample, as well as the data collection tools and procedure applied in the analysis of the data.

3.2: Research Philosophy

Research philosophy provides the underlying assumptions that give guidance of how knowledge is generated, understood and interpreted within a research study. According to Saunders et al. (2019), five philosophical worldviews exist – the positivist, postpositivist, interpretivism, pragmatism and realism philosophical views. The positivist view believes that reality is objective and could be observed while being independent of the researcher. Thus, the researcher does not add any value and is detached from the research but rather focusses on providing explanations and prediction of phenomena through generalisation and laws (Saunders et al., 2023). The post-positivist view holds a philosophy that “causes determine outcomes”, however, it recognises that reality cannot be fully understood with absolute certainty. The interpretivism perspective, on the other hand, holds assumptions that reality is socially constructed and subjective, moulded by different human contexts, meanings and experiences (Creswell & Creswell, 2018). The pragmatism philosophy puts emphasis on the practical outcomes and the importance of research in tackling real-world problems and makes use of various approaches and methods to answer the research questions. Realism view seeks to provide explanations that account for underlying mechanisms and structures that shape observable events.

This study espoused the postpositivist research philosophy because this philosophy acknowledges that sustainable growth of an SMEs is an outcome potentially caused by application of SMPs amongst SMEs, while recognising that such practices are real and observable but cannot be quantified with total certainty due to contextual and human influences.

3.3: Research Design

Research design involves a form of inquiry within the quantitative, qualitative, and mixed methods styles that provide directions for procedures in a research study (Creswell & Creswell, 2018).

This study adopted a descriptive cross-sectional research design. A descriptive research design is concerned with describing the characteristics, behaviours, and relationships of variables within a population without manipulating them (Creswell & Creswell, 2018). This design enabled the researcher to provide an accurate and systematic account of the strategic management phenomenon as it naturally occurred within the SMEs practising them (Kothari, 2004; Bryman & Bell, 2015). Thus, this design facilitated the description of strategic management practices and sustainable growth among small and medium enterprises (SMEs). A cross-sectional research design, on the other hand, involves the collection of data from a sample of respondents at a single point in time, thereby providing a snapshot of the variables under investigation (Creswell & Creswell, 2018; Saunders et al., 2023). This research design focused on existing conditions and relationships as they exist during the period of data collection without any experimental manipulation (Saunders et al., 2023).

This research design was adopted, for it aligned well with the objectives of this study, which sought to assess the relationships between strategic management practices of environmental scanning, strategy formulation, strategy implementation, and evaluation and the sustainable growth of SMEs. Cross-sectional designs are particularly suitable for analysing relationships between variables at a given point in time without implying causality (Creswell & Creswell, 2018; Saunders et al., 2023). Still, the descriptive cross-sectional design supported the use of quantitative methods of data analysis, including descriptive statistics, correlation, and regression techniques, which were essential for examining the strength and direction of relationships between variables (Creswell & Creswell, 2018).

Additionally, the design enabled the researcher to obtain insights of current practices and outcomes among SMEs operating in Uganda's oil and gas sector. This was essential for understanding the prevailing strategic management practices and their influence on firm growth at the time of the study (Saunders et al., 2023). Furthermore, this design allowed for the non-manipulation of variables, thus the strategic management practices were observed as implemented by SMEs in their natural context (Bryman & Bell, 2015). This ensured that the findings reflect real-world practices and conditions

Furthermore, the design was found to be time-efficient and cost-effective, as data was collected once from the selected sample rather than repeatedly over time. This made it suitable for the study given the time and resource constraints associated with academic research.

3.4: Population for the study

A population is a complete set of elements with specified common characteristics (Leroy, 2020). The target population for this study comprised the Small and Medium Enterprises (SMEs) operating within Uganda's oil and gas value chain, specifically those located in the Central Region of the country and registered on the National Supplier Database (NSD) maintained by the Petroleum Authority of Uganda.

The selection of this population was guided by the study's contextual focus on SMEs as key drivers of Uganda's economy and as primary beneficiaries of local content policies in the oil and gas sector. As noted earlier, SMEs form a dominant component of Uganda's economy and play a crucial role in employment creation and economic development (Ministry of Trade, Industry and Cooperatives, 2015; State of Entrepreneurship Report, 2024). However, their sustainability and growth remain constrained by internal managerial limitations and external environmental pressures.

The National Supplier Database (NSD) was considered because it provided a credible and comprehensive sampling frame containing firms that have formally expressed interest and eligibility to participate in the oil and gas industry. These firms operate across various segments of the value chain, including engineering services, logistics, construction, supply of goods, and consultancy services. By focusing on NSD-registered firms, the study ensured that the population consists of SMEs that are actively engaged in or strategically positioned to benefit from opportunities in the oil and gas sector (Petroleum Authority of Uganda, 2024).

Furthermore, the study specifically targeted SMEs within the Central Region of Uganda, because the region is the country's commercial and administrative hub and hosts a high concentration of oil and gas-related business activities. This geographical focus enhanced the relevance and accessibility of data while ensuring that the study captured firms operating within a dynamic and competitive business environment characterized by regulatory requirements, infrastructure advantages, and proximity to key industry players.

Furthermore, the study focused on SMEs that had been in operation for a period of five years or more, to ensure that respondents had sufficient experience with strategic management

practices and could provide reliable insights into influence of such practices on sustainable firm growth. The unit of analysis was the firm, while the unit of inquiry consisted of owners, managers, or senior-level staff who were knowledgeable about the strategic management processes within their organizations.

Overall, this population was considered appropriate because it reflected the intersection of SME development, participation in a highly regulated and opportunity-rich oil and gas sector, and the application of strategic management practices, which are central to the objectives of the study. By focusing on SMEs actively engaged in this sector, the study is able to generate context-specific insights into how strategic management practices influence sustainable growth in a challenging yet promising business environment.

At the time of the study, a total three hundred and fifty (350) firms located within the Central Region of Uganda were registered on the database for provision of goods and services to Uganda's oil and gas sector (PAU, 2024).

3.5: Sampling Design:

Kabatunzi (2022) asserts that the choice of a sampling method depends on the type, nature, and purpose of a study. This study deployed the purposive sampling procedure in the identification of respondents. Purposive sampling is a non-probability sampling technique in which the researcher deliberately selects respondents based on their knowledge, experience, and relevance to the research problem (Saunders et al., 2023; Creswell & Creswell, 2018). This approach was considered appropriate for the study because it focused on obtaining information-rich cases that can provide reliable and in-depth insights into the application of strategic management practices and their influence on sustainable firm growth.

In implementing the purposive sampling technique, the study specifically targeted one respondent per SME, ensuring uniformity and avoiding duplication of organisational perspectives. The selected respondent from each firm was a senior management-level individual, such as the owner-manager, chief executive officer (CEO), general manager, or departmental head involved in strategic decision-making. These categories of respondents were chosen because they possess direct knowledge and practical involvement in strategic management processes, including environmental scanning, strategy formulation, strategy implementation, and monitoring and evaluation. As key decision-makers, they were better positioned to provide accurate and comprehensive information regarding both the strategic practices adopted by the firm and the corresponding outcomes in terms of sustainable growth.

Furthermore, selecting only one respondent per company ensured consistency in the unit of analysis, which in this study was the firm rather than individual employees. This approach minimized the risk of multiple or conflicting responses from the same organization, thereby enhancing the reliability and validity of the data collected. Additionally, SMEs included in the sample were required to meet specific criteria, including; being registered on the National Supplier Database (NSD), operating within the Central Region of Uganda, and Having at least five years of operational experience, to ensure adequate exposure to strategic management practices. These criteria ensured that only firms with sufficient experience and relevance to the oil and gas sector were included. The sample size that was used in the study was derived from “Yamane’s formula” as stipulated below (Cheng et al., 2014):

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

Where n = size of the sample

N = Population Size

e = error term

Thus, the sample size used was: $n = \frac{350}{1+350(0.05^2)} = 187$ firms

Thus, the targeted sample size of personnel was 187 staff.

3.6: Data Collection

The study made use of primary data collected with the aid of structured questionnaires administered to purposively selected respondents from SMEs operating in Uganda’s oil and gas value chain. The questionnaire method was appropriate for this study because it facilitated the collection of standardized quantitative data from a relatively large sample within a cross-sectional design, allowing for statistical analysis of relationships among variables (Saunders et al., 2023; Creswell & Creswell, 2018).

The questionnaire was structured to include information that aligned with the study variables and objectives: Section A captured the background demographic and firm characteristics such as firm age, size, respondent’s position, and level of education; section B was Environmental Scanning, and it measured how firms gather and analyse information about internal and external environments. Section C was Strategy Formulation and this assessed the extent to which firms develop formal strategies, including vision, mission, and strategic plans; Section

D was Strategy Implementation and included questions that assessed how strategies are executed, including resource allocation, leadership, and organizational processes; section E was Strategy Monitoring and Evaluation which measured how the firms track performance, review strategies, and make necessary adjustments, whereas section F - Sustainable Firm Growth assessed indicators of growth such as revenue, profitability, market share, and customer satisfaction.

The questionnaire's adopted the 7-point Likert scale, ranging from strongly disagree to strongly agree because it provided greater sensitivity and variability in responses, thereby improving the reliability and precision of measurement in quantitative research (Saunders et al., 2023). The scale was defined as 1 = Strongly Disagree, 2 = Disagree; 3 = Moderately Disagree; 4 = Neutral; 5 = Moderately Agree; 6 = Agree; and 7 = Strongly Agree

3.6.1: Data collection procedure

Data were collected using google forms, which enabled efficient and structured administration of the questionnaire. The use of this method was appropriate because it enabled wide geographical reach within the Central Region, it ensured efficient and cost-effective data collection, facilitated automatic data capture and organization, reducing errors in data entry, as well as allowing respondents to complete the questionnaires at their convenience

Access to respondents was facilitated through the National Supplier Database (NSD) maintained by the Petroleum Authority of Uganda. The database provides a listing of registered firms, including their official contact details such as email addresses and telephone contacts. Using this database, the researcher identified eligible SMEs that met the selection criteria.

The data collection process involved: the compilation of contact list and contact details such as emails and phone numbers of selected SMEs from the NSD and related professional networks within the oil and gas sector; identification of respondents by contacting the selected firms to guide on the respondent; distribution of the questionnaires was done using a google link directly shared with the identified respondent via email and, some were contacted directly through phone calls to alert them of the shared link.

Follow-up emails and phone calls were made to encourage participation and improve response rates. Respondents were also provided with clarification where necessary to ensure accurate completion of the questionnaire.

3.7: Research Quality

Research quality was ascertained through validating and testing the reliability of research instrument. Validity and Reliability emphasized the steps that were followed to ascertain the accuracy, truthfulness, and consistency of the research findings (Creswell & Creswell, 2018).

3.7.1: Validity of the questionnaire

Validity of a research instrument refers to its precision, the ability of the “instrument to measure what it is intended to measure” Saunders et al. (2007). In the study, the instrument used was a structured questionnaire which was subjected content validity. Creswell & Creswell (2018) defined content validity as the extent to which a research tool provides sufficient coverage of the research questions.

Content validity was undertaken using a panel of six experts, three of whom were strategy specialists from the Uganda National Oil Company and three Ugandan MBA students in the 2023 cohort with experience in strategic management. These personnel supported in assessing whether the format and lay out of the questionnaire was appropriate, whether the questions of the tool were clear and adequately captured all elements of the study variables. Content validity was achieved through the following steps:

The questionnaire was developed using insights from the extensive empirical review of literature on strategic management practices and sustainable form growth to ensure all constructs are adequately represented. The instrument was then subjected to review by experts that had the requisite knowledge and experience to review the questionnaire for relevance, clarity and comprehensiveness. Their feedback was used to refine and improve the wording, structure, and alignment of the items with the study objectives. The changes made to the questionnaire included removal of some of the items by advising the deletion of questions that were redundant, ambiguous, those that did not correlate well with the intended construct, and those that could be misinterpreted by the respondents.

Another form of changes made included the restructuring, rewording and modification of questions to improve the clarity and logical flow of the questions on the tool. Additionally, the experts proposed additions to the questionnaire to make it easier, more comprehensive so as to capture the information that would be purposeful for the Study. These changes greatly improved the quality of the questionnaire.

The Content Validity Index (CVI) was then computed to quantify the level of agreement among experts regarding the relevance of the items. Each item was rated, and only those that met the

required threshold were adopted. The results of the computation are summarized in the table 3.1 below:

Table 3.1: Results of validation of the questionnaire

Variables	CVI	Cron Bach's Alpha	No. Items
Environmental Scanning	.903	.80	6
Strategy formulation	.86	.87	5
Strategy implementation	.80	.93	4
Strategy evaluation	.84	.73	4
Sustainable business growth	.80	.87	5

Source: Preliminary Data (2026)

Following the incorporation of the changes above into the questionnaire, the quality of the questionnaire greatly improved, achieving a content validity index of 0.80 and above. The outcomes of content validity testing showed that all the items achieved a Content Validity Index (CVI) value of 0.80 and higher, exceeding the acceptable limit of 0.78 as per the recommended standard according to Polit & Deck (2006), which provided that, for a panel of 6 – 9 experts, a CVI of 0.78 or higher gave an acceptable content validity of the questionnaire for data collection.

Furthermore, prior to administering of the questionnaire to the prime participants, the researcher undertook pilot – testing of the questionnaire to help in the refining of the tool. This process ensured that the respondents do not face challenges in responding to the questions as well as in recording data (Creswell & Creswell, 2018; Saunders et al., 2007).

According to Creswell and Creswell (2018), the minimum number of participants for a pilot test is ten (10). Thus, this study made use of fifteen respondents to support the pilot testing. This pilot test helped in improving the instructions, questions, and format of the questionnaire. Additionally, the tests assisted the researcher estimate the length of time it would take the respondent to respond the questionnaire (Creswell & Creswell, 2018).

3.7.2: Reliability of the research instrument:

Reliability is a phenomenon used to measure consistency or repeatability of data obtained in the research instrument (Creswell & Creswell, 2018). According to Saunders et al. (2007), reliability is concerned with the robustness of the questionnaire and whether it produces consistent findings at different times and under different conditions, such as with different samples. Reliability is tested using three approaches: test re-test, internal consistency and alternative form approaches (Creswell & Creswell, 2018). However, according to Creswell and Creswell (2018) internal consistency is superior to the test-retest approach, as such, internal consistency was the primary test for reliability in this study. Internal consistency assessment was achieved by correlating the responses to individual questions in the questionnaire (Creswell & Creswell, 2018).

The reliability of the questionnaire was estimated using the computed “Cron Bach’s Alpha” for the different variables (Tsanga et al., 2017). All variables had a Cron Bach’s Alpha higher than 0.7 which is indicative of a generally strong reliability and internal consistency. According to Tsang et al. (2017), Cronbach’s values between 0.7 and 0.9 are sufficient confirmation of dependable reliability in social sciences. Thus, it was evident that there was good inter-relatedness of all items within the questionnaire.

Cron Bach’s Alpha spans from 0 to 1, with zero implying zero internal consistency and 1 implying total internal consistency. A value between 0.7 and 0.9 was considered a good indicator of adequate reliability, Tsang et al. (2017).

3.8: Data Analysis

The researcher firstly evaluated the questionnaires returned viz vie those issued and reported these statistics, that is, the returned and the non-returned questionnaires. For the returned questionnaires, the researcher sieved and checked the questionnaires for errors and any inconsistencies such as partially filled tools and non-usable responses.

The data was then coded and subsequently, analysed using the Statistical Package for Social Sciences (SPSS) version 27 software. The researcher made use of this software package because it was proven to adequately support social science research, of which the Study at hand is a social sciences study.

3.8.1: Preliminary tests to determine statistical methods for data analysis

Prior to conducting statistical analysis, a series of preliminary diagnostic tests were undertaken to determine the suitability of the statistical techniques to be employed. Specifically, the study

assessed whether the data met the assumptions required for parametric tests, such as Pearson product–moment correlation and multiple linear regression, or whether non-parametric alternatives, including Spearman’s rank correlation and ordinal regression, would be more appropriate (Saunders et al., 2023; Creswell & Creswell, 2018).

The diagnostic tests conducted included assessments of normality, homogeneity of variances, linearity, and multicollinearity. These tests were essential in ensuring that the underlying assumptions of the selected statistical methods were satisfied, thereby enhancing the validity, accuracy, and reliability of the inferential results (Field, 2013; Hair et al., 2010).

Normality of the data was assessed using both visual and statistical techniques to ensure robustness of the results. Visually, histograms were examined to determine whether the data approximated a bell-shaped distribution, which is indicative of normality (Saunders et al., 2023). Additionally, statistical tests including the Kolmogorov–Smirnov (K–S) test and the Shapiro–Wilk test were conducted to formally assess whether the distribution of the data significantly deviated from a normal distribution (Field, 2013).

Furthermore, to resolve any inconsistencies between the visual and statistical results, skewness and kurtosis measures were computed. The standardized z-values for skewness and kurtosis were compared against acceptable thresholds (± 3.29), where values within this range were considered indicative of approximate normality for medium-sized samples (Mishra et al., 2019).

The combination of graphical assessment, normality tests, and skewness–kurtosis statistics provided a comprehensive evaluation of data distribution and informed the decision to apply parametric statistical methods for subsequent analysis.

3.8.3: Inferential Analysis

This study considered four (4) independent variables with ordinal data; therefore, a multiple regression statistical test was employed to study the relationships between the several independent variables and the corresponding outcome variable (Creswell & Creswell, 2018).

According to Meresa (2019), the regression statistical test was used to study the existence of a relationship between the key independent variables and the dependent variable.

The multiple regression model that was used is as reflected in the formula below:

$$Y_i = a_0 + (b_0 + b_1X_{i1} + b_2X_{i2} + b_3X_{i3} + b_4X_{i4}) + \varepsilon_i$$

Where:

Y_i = Sustainable growth that was measured by a composite score of its indicators that is, increased Profitability, revenue growth, asset growth, increase in market share and customer satisfaction

X_{i1} = Environmental scanning variable was measured by a composite employee skills and competencies, Organisational Culture, Leadership capability, Competitor analysis and Market trends

X_{i2} = The strategy formulation variable was measured by a composite presence of a clearly documented Vision and Mission Statements, strategic plan and stakeholder involvement

X_{i3} = The strategy implementation variable was measured by a composite of presence of an implementation Plan, resource allocation, organisational structures aligned to strategy, systems, processes and structures for strategy implementation

X_{i4} = The strategy monitoring and evaluation variable was measured by a composite of customers satisfaction surveys and feedback, changes in revenues, efficiency of processes and performance appraisals

b_1, b_2, b_3, b_4 are the coefficients representing the change in growth whenever that is a unit change in environmental scanning, strategy formulation, strategy implementation and strategy monitoring and evaluation, respectively.

b_0 is a constant representing the growth of an SME when there is no strategic management practices.

ε_i is the error term,

Adopted from (Meresa, 2019).

3.9: Research Ethics

Ethical considerations were given the utmost attention during the Study. Participants' autonomy was respected; they were duly informed about the objectives of the research and their consent sought before administering the questionnaire. Data was collected and analysed ensuring utmost confidentiality. To ensure confidentiality, no company identifiers such as the names, employee IDs were used in the questionnaires nor the study report.

Aggregate Reporting was deployed in the process of presenting results. The employee numbers, income and revenues were reported in grouped format such as 50% of SMEs in the sector reported revenue growth to prevent individual identification. The researcher, additionally sought data collection approval from Strathmore University Business School and subsequently, obtained a Research Permit from the Uganda National Council of Science & Technology (UNCST), a body that is mandated "to oversee and coordinate Research and Development (R&D) activities in Uganda".

The attainment of a research Permit involved the researcher undergoing review by the Research Ethics Committee (REC) to ensure that ethical requirements and standards outlined in the National Guidelines for Research involving humans as research participants were met. Therefore, ethics requirements were strictly adhered to.

3.10: Chapter Summary

The methodology chapter has explained the method the researcher used in undertaking the study. The chapter additionally discussed the research design, population of the study and provided insights on how data analysis was undertaken.

CHAPTER 4: RESEARCH FINDINGS AND ANALYSIS

4.1: Introduction

This chapter presents the study findings and analysis on the influence of strategic management practices on the sustainable growth of SMEs in Uganda's oil and gas sector. It provides results based on data collected from managerial respondents and analysed using SPSS v.27. The chapter is organized into sections covering descriptive statistics, inferential analysis, and the relationships between study variables.

4.2: Study response rate

The sample size considered for this study was 187 firms within Central Uganda, registered on the Petroleum Authority of Uganda's National Supplier Database. Thus, one hundred and eighty-seven questionnaires were issued, of which, the questionnaires returned were one hundred and thirty-two (132). However, of the one hundred and thirty-two questionnaires returned, eleven (11) were found to be invalid. The invalidity mainly arose from partially filled questionnaires where some questions remained unanswered. On average questions within the last two sections of the questionnaire, that is, section on strategy monitoring and evaluation, and that on sustainable business growth, remained unanswered. The partial filling of the questionnaire is suspected to have been as a result of the questionnaire being a little lengthy, and thus, respondents losing interest in answering or getting caught up with time that was available to them. Thus, a shorter questionnaire would have enhanced full completion of the questionnaire.

Thus, valid questionnaires from the sample totaled up to one hundred and twenty-one (121) giving a response rate of 64.7% for this study. According to Saunders et al. (2023), the average response rates to web and postal questionnaires lie in the range of 10 – 20% which is relatively low. This study achieved a relatively high response rate of 64.7% because of the pre-contacts made to the managers of the sample firms informing them in advance of the questionnaires to be sent out to them and the purpose of collecting the information. The consecutive follow-up emails to the firms whose managers had not responded to the questionnaires and the phone calls to some of the respondents for whom phone numbers were available, improved the response rates, thus achieving a very good response rate of 64.7% compared to the 20% reported response rate. However, lack of monetary incentives and the lengthy questionnaire could have affected the possibility of achieving 100% response rates to the questionnaire.

4.3: Respondents' profile

This section highlights the findings of the demographic characteristics of the units of analyses considered in the study, that is, the respondents of the study who were managers or above in rank, and the firms studied. The demographic characteristics of the participants included gender, their age, education level and experience. The demographics of the firms included time the business has been in existence (age of the business), number of employees employed by the firm and the industry in which the business falls. Table 4.1 below provides a summary of the respondents profiles.

Table 4.1: Respondents' profile

Demographics	Item	Frequency	Percent
Gender	Male	88	72.7
	Female	33	27.3
	Total	121	100.0
Age group	18-29 years	13	10.8
	30-39 years	37	30.6
	40-49 years	43	35.5
	50-59 years	28	23.1
	Total	121	100.0
Highest level of education attained	Certificate	11	0.1
	Diploma	23	19.0
	Bachelor's and above	87	71.9
	Total	121	100.0
Experience in Business	Less than 1 year	2	1.6
	1-5 years	16	13.2
	5-10 years	55	45.5
	10 years and above	48	39.7
	Total	121	100.0

Source: Primary data (2026)

The results of this Study revealed that the SMEs under study were being managed by both female and male managers, however, the majority are managed by male leaders, constituting 72.7%. This implies that SMEs in the oil and gas sector are dominantly managed by males,

however, the presence of female managers constituting over 25% show an increasing gender diversity in the sector, though still limited. This statistic also points out that the strategic management practices in SMEs are largely practiced in firms largely managed by males, which may have an impact on how SMPs are formulated and executed.

The findings additionally, revealed that the respondents largely fell within an age range of 30 – 49 years, constituting 66.1% of the respondents. These results largely reveal that SME leadership is prevalently by middle-aged adults, and this could imply that such adults had a more understanding and appreciation of the significance SMPs to firm growth as compared to younger adults. On the other hand, the managers in this age group are more dynamic, flexible and adaptive in strategic management as opposed to older generations who might be risk-averse and slow in making strategic decisions.

Furthermore, the findings of the study established that most of the respondents of this study had attained an education level of a degree and above, with respondents constituting 71.9%. This suggests that majority of the SME managers are well educated which enhances their appreciation of strategic management practices and hence adopting and practicing the practices. Subsequently, the education potentially improves the ability of the SME managers in applying structured planning and decision-making. Thus, the results suggest that education has a role to play in a SME's ability to adopt SMPs.

The results further revealed that the SMEs in the study were majorly managed by managers with over 5 years of experience in business. These constituted 85.2% of the respondents. This means that more experienced managers are likely to adopt and apply strategic management practices as opposed to less experienced managers with lower than 5 years of experience. The experience provides better understanding of SMPs.

The table below reflects the summary of the information of the SMEs considered in the study.

Table 4.2: Profile of the SMEs studied

<i>Category</i>	<i>Item</i>	<i>Frequency</i>	<i>Percent</i>
Age of the business	5-10 years	67	55.4
	11 – 15 years	34	28.1
	15+ years	20	16.5
	Total	121	100.0
Number of Employees	Less than 5 persons	2	1.7
	5-50 persons	64	52.9
	50 – 100 persons	55	45.4
	100 and above	0	0
	Total	121	100.0
Sector	Construction	22	18.2
	Transportation and Storage	24	19.8
	Retail Trade and wholesale; Motor Vehicles Repairs and Motorcycles	18	14.9
	Insurance and financial services	5	4.1
	Scientific, Technical and professional services	12	9.9
	Administrative and Support services	24	19.8
	Others	16	13.3
	Total	121	100.0

Source: Primary data (2026)

The results on the firms showed that the bulk of SMEs studies have been in existence for a period of 5 to 15 years, with these firms constituting 83.5%. This implies that the firms studied are past the survival stage and are entering growth of maturity stages which means that these firms are sustainably growing.

In addition, most of the firms under the study employed over five (5) employees constituting about 98%. This firm size indicates that larger SMEs are more likely to adopt structured operations and need formal SMPs. This explains why strategic management practices are likely to be adopted by such firms. The sector distribution is indicative of the fact that SMEs operate across diverse sectors, implying that the oil and gas supply chain is diverse in its service offerings, providing justification for SMPs requirement to navigate the complex multisectoral competition.

4.4: Descriptive Analysis

In this study, a 7-point Likert scale spanning from “strongly disagree” to “strongly disagree”, thus, the results have been interpreted in reference to this scale. The standard deviation as calculated from the software was used to assess the variability of the results from the mean. Table 4.3 provides a summary of the means and standard deviations for environmental scanning.

Table 4.3: Descriptive statistics for Environmental Scanning

Indicator	N	Mean	Std. Deviation
Leadership capability	121	5.9205	.90548
Organization culture	121	4.9266	.80159
Skills and competencies	121	5.3423	.65530
Competitor analysis	121	5.7034	.80153
Market trends	121	5.5887	.71015
Environmental scanning	121	5.4989	.41906

Source: Primary data (2026)

The overall mean for environmental scanning was 5.5 indicating that SME leaders in the oil and gas sector generally agreed that environmental scanning is practiced amongst SMEs and is an important practice. The results were suggestive that SME leaders actively engage in environmental scanning initiatives such as actively monitoring competitors, watching regulatory requirements and shifts from the regulators as well as actively monitoring and act accordingly to changes in the environment, and their organisations have a culture that supports the flexibility of acting appropriately to the environmental changes.

The slight disparities in responses depicted by the standard deviations of 0.42, imply a variance of only 6% in the SME leaders’ agreement to the extent to which environmental scanning is practised amongst SMEs, which suggests that there is a consensus amongst the respondents that SMEs undertake environmental scanning initiatives such as looking out for tenders, recognising regulatory changes that need to be complied with, and identifying any risks to the business.

Table 4.4 below provides a summary of the means and standard deviations for strategy formulation.

Table 4.4: Descriptive statistics for Strategy formulation

Indicator	N	Mean	Std. Deviation
Have Vision and Mission statements	121	6.4734	.70272
Strategic plan and goals	121	6.5520	.71371
Stakeholder involvement	121	6.3810	.67877
Strategy Formulation	121	6.4688	.51005

Source: Primary data (2026)

The results on strategy formulation depicted a very high mean of 6.47 which means that there was very strong agreement among respondents that the SMEs have documented strategic plans, Vision and Mission statements, accessible to all staff, are bound to have long-term direction.

Further, the participants strongly agreed that engagement of their respective stakeholders was critical in refining and improving the enterprises' strategic goals as well as facilitating the successful rolling out of the strategic plans.

The low standard deviation of 0.51 translating into only 7.3% variation in responses depicted strong agreement among the respondents that indeed SMEs usually have strategic plans, they have documented vision and mission statements and above all, engage stakeholders in planning.

The table 4.5 below provides a summary of the means and standard deviations for strategy implementation.

Table 4.5: Descriptive statistics for Strategy Implementation

Indicator	N	Mean	Std. Deviation
Implementation Plan	121	5.3654	.73544
Resource allocation	121	5.3546	.75499
Organisational structures	121	4.5497	1.23932
Systems and processes	121	5.5619	.69417
Effective Leadership	121	5.4139	.63491
Strategy implementation	121	5.8120	.53627

Source: Primary data (2026)

The results from strategy implementation results indicated a mean of 5.8 meaning that participants generally agreed that their firms have well-documented implementation plans that

outline clear steps for executing their strategies within the stipulated timelines and allocating the relevant resources and responsibilities for execution of the plans. Additionally, the results show that leadership supports strategy execution, systems and processes do exist amongst SMEs. The results also revealed a low standard deviation of 0.53 which imply that there was a general consensus among participants, however, there is a more variation in responses around organisational structures as depicted by the high standard deviation of 1.2, which indicates that while SMEs are implementing the mentioned practices, not all are doing well and some still struggle with regard to organisational structures.

The table 4.6 provides a summary of the means and standard deviations for strategy monitoring and evaluation.

Table 4.6: Descriptive statistics for Strategy monitoring and evaluation

Indicator	N	Mean (7L.S)	Std. Deviation
Customer satisfaction and feedback survey	121	5.4821	.69019
Changes in revenues	121	5.2835	.67335
Efficiency of processes	121	5.4638	.67564
Performance appraisals	121	5.3931	.85099
Strategy evaluation	121	5.4057	.41376

Source: Primary data (2026)

The results on strategy monitoring and evaluation that exhibited a mean of 5.41 indicating that respondents largely agreed that their enterprises conduct customer surveys to assess the quality of their service delivery and that the feedback obtained was critical in assessing their strategy effectiveness and, consequently, using the feedback in strategy evaluation and decision-making processes. Additionally, participants agreed that increasing revenue trends is an indicator of the effectiveness of the different strategies that the entities execute. However, the results indicated that not all respondents agreed to this position as reflected by the standard deviation of 0.41. However, the variation is very small which implies that respondents strongly agree that SMEs undertake strategy monitoring and evaluation. Overall, participants largely agreed that efficiency of processes, undertaking performance appraisals, tracking revenue trends as well as considering customers' needs are Practiced amongst SMEs.

Table 4.7 below provides a summary of the means and standard deviations for sustainable business growth.

Table 4.7: Descriptive statistics of sustainable business growth

Indicator	N	Mean	Std. Deviation
Revenue growth	121	5.4467	.72428
Profit growth	121	5.4948	.56827
Asset growth	121	5.5749	.73706
Market share growth	121	5.4778	.67767
Customer satisfaction	121	5.4706	.60043
Sustainable business growth	121	5.4982	.45501

Source: Primary data (2026)

The descriptive results revealed a mean of 5.5 which means that respondents agreed that their firms were experiencing growth in revenues, profits, asset base, market share and customer satisfaction. growth. The small standard deviation of 0.46 indicates that most of the SMEs are experiencing the growth in profits, revenues, market shares as well as stronger customer satisfaction.

4.6: Inferential data analysis

Inferential analysis using Pearson Linear correlation and multiple regression analyses were undertaken to establish the relationship that exists between the SMPs and sustainable business growth of SMEs in Uganda's oil and gas sector.

4.6.1: Pearson Linear Correlation analysis

Pearson Linear correlation analysis was undertaken to determine the significance of the relationships that exist between strategic management practices variables of scanning the environment, formulating the strategy, implementing the strategy as well as monitoring and evaluating the strategy, and the sustainable growth of the SMEs. The outcomes were as presented in table 4.8.

Table 4.8: Pearson Correlation Results for strategic management practices and sustainable business growth

Variable	Pearson coefficient (r)	P-value
Environmental scanning	0.63	0.01
Strategy formulation	0.48	0.01
Strategy Implementation	0.53	0.01
Strategy monitoring & evaluation	0.51	0.01

Source: Primary data (2026)

According to Saunders et al. (2023), a Pearson coefficient (r) lies between -1 and +1 representing negative and positive correlations, respectively. Furthermore, where the magnitude of r is greater than 0.8, that is ($|r| > 0.8$) is indicative of very strong correlation; where the magnitude lies between 0.6 and 0.8, is indicative of strong correlation; where the magnitude lies between 0.35 and 0.6, the correlation is moderate; where it lies between 0.2 to 0.35, a weak correlation exists, while between 0 and 0.2, there is no correlation. Furthermore, Saunders et al. (2023) guide that for data collected from a sample, the probability of the correlation coefficient should be assessed to rule out chance occurrences of the correlation. A low probability of less than 0.05 ($p < 0.05$) is an indication of a statistically significant relationship that does not occur by chance, while a probability greater than 0.05 is indicative of a statistically insignificant relationship (Saunders et al., 2023).

4.6.1.1: Pearson Linear correlation between environmental scanning and sustainable business growth

The first objective of the study was to establish the effect of environmental scanning on the sustainable growth of SMEs, located within the central region of Uganda, providing goods and services to Uganda's oil and gas sector. The Pearson Correlation results revealed that environmental scanning had a statistically significant, strong positive effect on the sustainable growth of SMEs as reflected by the p-value of 0.01 (which is less than 0.05) and a Pearson Coefficient (r) of 0.631, respectively. This implied that at a confidence level of 99%, a strong positive relationship exists between environmental scanning practices and sustainable growth of these SMEs.

The results imply that SMEs that actively deploy environmental scanning become aware of any regulatory changes, market trends, threats of competitions and changes in the operating environment, opportunities that could be grabbed and draw better competing strategies which support the SMEs in achieving improved revenues, better profits and continuous growth of the business' market share, thus enabling the sustainable growth of the SMEs. Thus, continued application of environmental scanning initiatives within the SMEs would lead to continued growth of the SMEs leading to sustainable growth of the enterprises.

4.6.1.2: Pearson Linear correlation between strategy formulation and sustainable business growth

The second objective of the study was to determine the relationship between strategy formulation and the sustainable growth of SMEs in Uganda's central region, providing goods and services to Uganda's Oil and gas sector. The Pearson correlation results revealed a statistically significant and moderately strong positive relationship between strategy formulation practices and the sustainable business growth of SMEs in Uganda's oil and gas sector, as reflected by a Pearson Coefficient of 0.482 and p-value of 0.01 which is less than 0.05.

The implication of this relationship is that, with increased application of strategy formulation practices such as preparing strategic plans and involvement of stakeholders in strategy formulation moderately increased the sustainable business growth of the SMEs. However, this relationship was the weakest of the four practices which may imply that having documented strategies play a moderate contribution but if the strategies are left on paper, there will be no significant contribution to the growth of the SMEs.

4.6.1.3: Pearson Linear correlation between strategy implementation and sustainable business growth

The third objective of the study was to evaluate the influence of strategy implementation on the sustainable growth of SMEs in Uganda's oil and gas sector. The Pearson correlation results established that strategy implementation practices deployed within the SMEs in Uganda's oil and gas sector have a statistically significant and moderately strong positive influence on the sustainable business growth of the respective SMEs, as reflected by a p-value of 0.01, and a Pearson Coefficient of 0.53.

These results suggest that SMEs that increasingly execute their documented strategic plans, allocate resources based on the plans and have the right structures and processes to support the

execution of the strategic plans are bound to moderately enhance their customers' satisfaction, increase revenues from efficient processes, consequently, increasing the market share thus achieving business growth. The moderate impact, however, mean that for strategy implementation to be more impactful, leadership support, resource availability and the SME systems could be critical.

4.6.1.4: Pearson Linear correlation between strategy monitoring and evaluation and sustainable business growth

The last objective of the study was to establish the relationship that exists between strategy monitoring and evaluation and the sustainable growth of SMEs in Uganda's oil and gas sector. The Pearson correlation results established a statistically significant but moderately strong positive relationship between strategy monitoring and evaluation initiatives deployed in SMEs in Uganda's oil and gas sector and their sustainable business growth, as shown by the p-value of 0.01 and a Pearson Coefficient of 0.506.

The implication of such a relationship was that an enterprise that progressively undertook strategy monitoring and evaluation was likely to sustain its business growth over time.

4.6.2: Multiple Regression Model Results

A multiple regression model: $Y_i = a_0 + (b_0 + b_1X_{i1} + b_2X_{i2} + b_3X_{i3} + b_4X_{i4}) + \varepsilon_i$ was used to examine how the independent variables of strategic management, that is, environmental scanning, strategy formulation, strategy implementation and strategy monitoring and evaluation collectively and independently, influenced the Sustainable growth of SMEs within the Central Region of Uganda, providing services to the oil and gas sector of Uganda.

Where:

Y_i = Sustainable SME growth measured by a composite score of increased Profitability, revenue growth, asset growth, increase in market share and customer satisfaction

X_{i1} = Environmental scanning practices measured by a composite of employee skills and competencies, Organisational Culture, Leadership capability, Competitor analysis and Market trends

X_{i2} = The strategy formulation practices measured by a composite presence of a clearly documented Vision and Mission Statements, strategic plan and stakeholder involvement

X_{i3} = The strategy implementation practices variable, measured by a composite of presence of an implementation Plan, resource allocation, organisational structures aligned to strategy, systems, processes and structures for strategy implementation

X_{i4} = The strategy monitoring and evaluation variable, measured by a composite of customers satisfaction surveys and feedback, changes in revenues, efficiency of processes and performance appraisals

Two sets of regression were conducted; one without control variables of (i) education level, (ii) experience of managers of the firms, (iii) age of the firm and (iv) size of the firms; and another regression while controlling for the 4 variables.

The results of the Multiple Linear Regression Models are as shown in tables 4.9 and 4.10

Table 4.9: Results of Multiple linear regression without controlling demographic characteristics

		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics	
		Std. B	Error	Beta	t	Sig.	Tolerance VIF
1	(Constant)	.459	.202		2.268	.024	
	Environmental scanning	.440	.056	.405	7.866	.000	.593 1.687
	Strategy Formulation	.103	.044	.115	2.340	.020	.649 1.541
	Strategy implementation	.144	.045	.169	3.203	.001	.562 1.779
	Strategy evaluation	.193	.057	.175	3.372	.001	.585 1.709
	R	.699 ^a					
	R Square	.488					
	Adjusted R Square	.482					
	F	77.718					
	Sig.	.000 ^b					
a. Dependent Variable: Sustainable business growth							

Source: Primary data (2026)

The multiple regression model results above revealed that environmental scanning, strategy formulation, strategy implementation and well as strategy monitoring and evaluation as a whole, were significant contributors to the sustainable growth of small and medium enterprises within the central region that provide services to Uganda's oil and gas sector as shown by the T-test with $F=77.72$ and $p < 0.05$, and collectively explained 48.2% of the variance in the sustainable growth of the SMEs (Adjusted $R^2 = 0.482$).

Particularly, environmental scanning emerged the strongest single influencer of sustainable growth contributing 40.5% of the growth ($\beta=0.405$, $p=0.000$), followed strategy implementation ($\beta=0.169$; $p=0.001$) and strategy monitoring and evaluation ($\beta=0.175$; $p=0.001$) that influence sustainable growth of SMEs by 16.9% and 17.7% respectively. Strategy formulation, in addition, was found to be the least significant contributor ($\beta=0.115$; $p=0.02$) with a contribution of 11.5%.

The results, thus, suggested that small and medium enterprises seeking sustainable business growth should consider application of all the strategic management practices with particular emphasis and prioritisation of environmental scanning practices such as deploying the right organisation culture, skills and competencies as well as right leadership in addition to undertaking competitor analysis and studying market trends.

Another regression analysis was conducted to examine the influence of strategic management practices on sustainable business growth of SMEs in Uganda's oil and gas service sector, while controlling for demographic characteristics of the managers as well as those of the firms. The results are presented in Table 4.10 below:

Table 4.10: Results of Multiple linear regression while controlling variables

		Unstandardize		Standardized		Collinearity	
		d Coefficients		Coefficients		Statistics	
Model		β	Std. Error	β	t	Sig.	Tolerance VIF
1	(Constant)	.459	.202		2.268	.024	
	Environmental scanning	.440	.056	.405	7.866	.000	.593 1.687
	Strategy Formulation	.103	.044	.115	2.340	.020	.649 1.541
	Strategy implementation	.144	.045	.169	3.203	.001	.562 1.779
	Strategy evaluation	.193	.057	.175	3.372	.001	.585 1.709
	control variables						
	Educ- Bachelors	.021	.123	0.013	2.418	.006	.579 1.727
	Educ- Diploma	.019	.185	0.014	3.261	.000	.373 2.684
	Exp-1-5 years	-.202	.181	-0.12	0.340	.267	.311 3.213
	Exp- 5-10 years	-.060	.172	-0.04	1.031	.729	.329 3.038
	Exp-10 years and above	.195	.132	.132	0.322	.141	.537 1.862
	Age- 5 – 10 years	-.058	0.141	-.036	1.123	.683	.569 1.758
	Age-10+ years	.141	.0360	.405	4.866	.001	.548 1.825
	Size- 5-50 persons	.111	.0140	.115	3.341	.000	.478 2.091
	Size- 50 – 100 persons	.204	.0221	.169	2.278	.001	.440 2.271
	R	.832a					
	R Square	.692					
	Adjusted R Square	.681					
	F	82.743					
	Sig.	.000 ^b					
a. Dependent Variable: Sustainable business growth							
Where, Educ- Education level, Exp- Experience, Size- Business Size= Number of Employees, Age- Age of SMEs, Reference categories are; Education- Certificate, Experience- less than one year, Age of the business -5-10 years, Size of business- Less than 5 persons							

Source: primary data (2026)

The results indicated that the model was statistically significant ($F = 82.743$, $p < .001$) and explained 68.1% of the variance in sustainable business growth, with an adjusted ($R^2 = .681$). This demonstrates that the inclusion of control variables substantially improved the explanatory power of the model compared to earlier specifications without controls.

The control variables provided further insights into the demographic characteristics influencing SME performance. Education was significant, with both diploma ($\beta = .014$, $p < .001$) and bachelor's and above ($\beta = .013$, $p = .006$) levels positively associated with growth of SMEs compared to certificate holders. This result could suggest that higher educational attainment probably equips SME leaders with skills and knowledge of strategic management that enhance business sustainability and growth. Similarly, firm size was also significant, with SMEs employing 5–50 persons positively associated with 11.5% ($\beta = .115$, $p < .001$) and 50–100 persons positively associated with 16.9% ($\beta = .169$, $p = .001$) outperforming micro-enterprises

with fewer than five employees. This result could be an indication that as firms grow, strategic management practices become a necessity, and the bigger resource base supports execution of the strategic management practices thus promoting business growth. Firm age showed mixed results: businesses aged 10 years and above ($\beta = .405$, $p = .001$) were significantly more likely to achieve sustainable growth, while those aged 5–10 years were not ($\beta = -0.036$; $p = 0.683$). Experience in business, however, did not yield significant effects, suggesting that longevity in business alone does not guarantee sustainable business growth, unless accompanied by strategic management practices.

Overall, the findings confirm that strategic management practices are critical drivers of SME sustainable growth, but demographic characteristics such as education, firm size, and firm age also play critical roles in explaining variance in the sustainable growth of SMEs providing services to the oil and gas sector in Uganda. By integrating these controls, the model provides a more comprehensive understanding of the determinants of sustainable growth, reducing the previously unexplained variance from 51.8% to only 31.9%, thus enhancing the robustness of the study's conclusions.

4.7: Conclusion

This chapter has presented the results of the Study that was undertaken to examine the influence of strategic management practices on the sustainable growth of SMEs located in Central Uganda, providing goods and services to Uganda's oil and gas sector. Analysis of the results revealed that there was a significant statistical relationship that exists between strategic management practices and the sustainable growth of the SMEs and that strategic management practices such as environmental scanning, strategy formulation, implementation, monitoring and control, all have a generally strong positive influence on the sustainable growth of the SMEs.

CHAPTER FIVE: DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS

5.1: Introduction

This chapter presents a critical discussion of the study findings, linking them to existing literature, theoretical frameworks, and the specific context of SMEs operating within Uganda's oil and gas sector. The chapter interprets and evaluates those findings, highlighting their implications, limitations, and relevance to practice and policy.

The discussion is structured in three segments: analysing the findings in relation to each of the strategic management practices examined, integrating the influence of the practices to provide a holistic understanding of SME growth dynamics, and finally, the chapter reflects on the limitations of the study and presents conclusions and recommendations.

5.2: Discussion of the Findings

5.2.1: Environmental Scanning and Sustainable Business Growth

The findings of this study revealed that environmental scanning has a statistically significant and the strongest positive influence on the sustainable growth of SMEs operating within Uganda's oil and gas sector. While this aligns with a substantial body of literature that links environmental scanning to improved firm performance, a more critical interpretation suggests that the magnitude of this effect is strongly shaped by contextual and sector-specific factors rather than being universally applicable.

From a contextual perspective, the oil and gas sector in Uganda is characterized by high regulatory intensity, dynamic policy frameworks, and competitive contractual environments. SMEs operating within this space are required to continuously monitor regulatory updates, local content policies, and evolving market conditions in order to remain compliant and competitive. As such, environmental scanning became less of an optional strategic activity and more of a core operational necessity. This finding supports the argument by YahiaMarzouk and Jin (2022) that firms which actively engage with their external environment are better positioned to interpret market dynamics and adapt accordingly. Similarly, Schuhly (2022) emphasized that continuous environmental analysis enables firms to anticipate uncertainties and respond proactively, thereby enhancing growth prospects.

From a theoretical point of view, the findings are consistent with the “*sensing*” component of the Dynamic Capabilities Theory, which posits that firms achieve sustained competitive advantage by identifying and interpreting opportunities and threats in their operating

environments (Teece, 2023; Brown & Mawson, 2016). However, the dominance of environmental scanning over other strategic practices in this study suggests that, in SME contexts, dynamic capabilities may not develop symmetrically. Specifically, SMEs may rely more heavily on sensing activities because they are relatively less resource-intensive compared to more complex activities such as strategy implementation and organisational reconfiguration. This observation extends existing theoretical assumptions by suggesting that resource constraints shape which dynamic capabilities are most actively developed in practice.

Despite the strong positive relationship observed, it is fundamental to critically interrogate the findings. One possible explanation is that firms experiencing higher growth may have more resources and managerial capacity to invest in environmental scanning activities. In such cases, the relationship may reflect reverse causality, where growth enables scanning rather than scanning driving growth. Furthermore, the study relied on self-reported data, which introduces the possibility of response bias, as respondents may overstate the extent to which their firms systematically engage in environmental analysis.

Additionally, while most empirical studies support the positive influence of environmental scanning, contradictory evidence suggests that it may not always yield beneficial outcomes. For instance, some studies argue that extensive environmental scanning can be resource-intensive and may divert managerial attention from core operational activities, particularly in SMEs with limited capacity (Wang et al., 2025). In such cases, the costs associated with scanning may outweigh its benefits, leading to diminished performance. The strong positive relationship observed in this study therefore likely reflects a subset of SMEs that have the capacity to effectively utilise environmental information, rather than all SMEs uniformly benefiting from the practice.

Another important insight relates to the practical nature of environmental scanning within SMEs. Unlike formal strategic planning processes, which may be inconsistently applied, environmental scanning is often embedded in the day-to-day decision-making of SME managers through informal networks, client interactions, and market observations. This aligns with findings by Sekere et al. (2023), who argue that SMEs' engagement with both internal and external environments enhance their responsiveness and performance outcomes. The relative informality and immediacy of environmental scanning may therefore explain why it exerts a stronger influence on growth compared to more structured strategic practices.

The findings also resonate with Institutional Theory, particularly in relation to the regulatory pillar. SMEs operating in Uganda's oil and gas sector must comply with stringent requirements imposed by regulatory bodies such as the Petroleum Authority of Uganda. Firms that engage in effective environmental scanning are better able to anticipate and respond to these regulatory demands, thereby enhancing their legitimacy and ability to secure contracts. As Bruton et al. (2010) argue, legitimacy derived from compliance with institutional expectations is a critical factor in ensuring firm survival and access to opportunities. Thus, environmental scanning contributes not only to competitive advantage but also to institutional legitimacy, which is a key driver of sustainable growth in regulated industries.

However, the effectiveness of environmental scanning ultimately depends on the firm's ability to transform gathered information into actionable strategies. Without complementary capabilities in strategy formulation and implementation, scanning may result in information accumulation without strategic action, thereby limiting its impact. This reinforces the argument that environmental scanning should not be viewed in isolation but as part of a broader strategic management system.

In conclusion, while this study confirms the significant role of environmental scanning in driving SME growth, it also highlights that its dominance is influenced by contextual dynamics, resource availability, and institutional pressures specific to the oil and gas sector. The findings contribute to existing literature by demonstrating that in emerging and highly regulated environments, environmental scanning functions as both a strategic and survival capability, with a disproportionately strong influence compared to other strategic management practices.

5.2.2: Strategy Formulation and Sustainable Business Growth

The findings of this study demonstrate that strategy implementation has a statistically significant and moderately strong positive influence on the sustainable growth of SMEs operating within Uganda's oil and gas sector. While this result reinforces the widely established view that execution is central to translating strategic intent into performance outcomes, a deeper analysis revealed that the effectiveness of strategy implementation is contingent upon organisational readiness, resource capacity, and contextual realities.

At a fundamental level, strategy implementation represents the operationalization of strategic plans into actionable activities, aligning organizational structures, resources, and processes towards achieving defined objectives (Itohan et al., 2024; Schuhly, 2022). The positive relationship identified in this study supports prior research indicating that firms that effectively

execute strategies are more likely to achieve improvements in profitability, market share, and customer satisfaction. However, the moderate, rather than strength of this relationship suggests that implementation challenges persist within SMEs, limiting the full realization of strategy-driven outcomes.

One key explanation for this lies in the resource constraints characteristic of SMEs. Unlike large organizations, SMEs typically operate with limited financial capital, human resources, and managerial expertise. Effective strategy implementation requires not only clear plans but also structured systems, skilled personnel, and sustained investment. Where these are lacking, implementation may be partial, inconsistent, or poorly coordinated. This interpretation is supported by studies that argue that even well-formulated strategies can fail in the absence of adequate resource allocation and organizational alignment (Meresa, 2019; Horsfall & Onuoha, 2023). Thus, while SMEs in this study may demonstrate commitment to strategic practices, their capacity to fully execute them may vary significantly.

From a contextual perspective, the oil and gas sector further amplifies these challenges. The sector is characterized by stringent compliance standards, complex procurement processes, and high expectations for quality and safety. For SMEs, translating strategy into actionable outcomes requires navigating these complexities while simultaneously managing operational demands. As a result, firms may prioritize immediate operational requirements such as contract delivery and regulatory compliance, over systematic strategy execution, thereby weakening the observable impact of implementation on long-term growth.

Importantly, the findings highlight the role of organizational enablers in mediating the effectiveness of strategy implementation. Elements such as leadership, organizational structure, communication systems, and resource alignment are critical in ensuring that strategic initiatives are successfully executed. Where leadership provides clear direction and fosters alignment across teams, implementation is more likely to be effective. Conversely, weak structures or fragmented communication systems can result in misalignment, inefficiencies, and ultimately, suboptimal performance outcomes. This reinforces the argument that strategy implementation is not a single activity but rather a coordinated organizational process.

The findings can also be interpreted through the lens of the Dynamic Capabilities Theory, particularly the “*seizing*” and “*reconfiguring*” dimensions. Strategy implementation reflects the organization’s ability to mobilize resources to capture identified opportunities (seizing) and to adjust internal processes to respond to environmental demands (reconfiguring). However,

the moderate impact observed suggests that SMEs may struggle with the reconfiguration aspect, particularly where rigid structures or resource limitations constrain their ability to adapt effectively. This highlights a potential imbalance between the identification of opportunities and the capacity to exploit them.

While the results align with several studies that report a positive relationship between strategy implementation and firm performance, contradictory evidence in the literature indicates that implementation does not always yield immediate or measurable growth outcomes, particularly in resource-constrained contexts (Adegboyeg et al., 2021; Ates & Bitici, 2022). In some cases, the costs associated with implementing strategic initiatives, such as investments in systems, training, or restructuring may temporarily offset performance gains, thereby moderating the overall effect. This raises an important consideration that the relationship between implementation and growth may be non-linear and potentially time-dependent.

Additionally, it is important to consider potential biases in the interpretation of these findings. The reliance on self-reported data may result in respondents overstating the degree to which strategies are effectively implemented within their firms. Furthermore, the cross-sectional design of the study limits the ability to observe how strategy implementation evolves over time or how its effects accumulate in the long term. It is plausible that the full impact of implementation is not immediately visible, particularly where strategic initiatives require extended periods to mature.

Another critical insight emerging from the findings is that strategy implementation appears to be more effective when it is closely linked to operational processes and customer-facing activities. SMEs that integrate strategy into routine operations—such as service delivery, quality management, and customer engagement—are more likely to experience tangible performance improvements. This suggests that implementation effectiveness is not solely dependent on formal structures but also on the extent to which strategic priorities are embedded in everyday organizational practices.

In summary, while strategy implementation plays a significant role in driving sustainable business growth, its effectiveness within SMEs is shaped by a combination of resource availability, organizational capabilities, and sector-specific constraints. The findings extend existing literature by highlighting that in emerging and regulated sectors such as oil and gas, implementation is less about formal execution of plans and more about adaptive, resource-conscious alignment of strategy with operational realities.

5.2.3: Strategy Implementation and Sustainable Business Growth

The findings of this study indicate that strategy implementation has a statistically significant and moderately strong influence on the sustainable growth of SMEs within Uganda's oil and gas sector. While this result aligns with existing literature that positions implementation as the bridge between strategic intent and performance outcomes, a more critical interpretation suggests that the effectiveness of implementation is uneven and highly dependent on firm-specific capabilities and contextual constraints.

In principle, strategy implementation involves translating formulated strategies into operational actions through coordinated processes such as resource allocation, leadership alignment, and process integration (Itohan et al., 2024; Schuhly, 2022). The positive association observed in this study reinforces the argument that SMEs that actively implement their strategies are more likely to achieve measurable improvements in revenue, profitability, and customer satisfaction. However, the fact that implementation does not emerge as the strongest predictor of growth—despite its central role in theory raises important analytical questions regarding how effectively SMEs are able to execute their strategies in practice.

A key explanation lies in the capacity constraints that characterize SMEs, particularly in emerging economies. Effective implementation requires not only strategic clarity but also adequate financial resources, skilled human capital, and structured internal systems. In many SMEs, these enabling conditions are only partially developed, resulting in fragmented or inconsistent execution. This interpretation is supported by prior studies which highlight that implementation failures often stem from poor alignment between strategy and organisational resources (Meresa, 2019; Horsfall & Onuoha, 2023). Thus, while SMEs may demonstrate intent to implement strategies, their ability to do so effectively varies considerably, moderating the overall impact on growth.

The sectoral context further reinforces this observation. Uganda's oil and gas industry is characterized by high compliance requirements, stringent quality standards, and competitive contracting processes, which place significant operational pressure on SMEs. Under such conditions, firms often prioritize short-term operational demands—such as meeting contract deliverables and regulatory obligations—over structured and systematic implementation of long-term strategies. Consequently, strategy implementation may occur in an ad hoc or reactive manner, reducing its potential to drive sustained growth.

Another critical insight relates to the organisational mechanisms that underpin effective implementation. The study underscores the importance of leadership, organisational structures, communication systems, and process alignment in driving execution success. SMEs that establish clear reporting structures, allocate resources strategically, and maintain effective communication channels are more likely to achieve coherence between strategic intent and operational activities. Conversely, weak or informal structures can lead to misalignment, duplication of effort, and inefficient resource utilisation. This reinforces the view that strategy implementation is not merely an operational task, but a system-wide organizational capability.

From a theoretical standpoint, the findings can be interpreted through the “*seizing*” and “*reconfiguring*” dimensions of the Dynamic Capabilities Theory. Strategy implementation reflects the firm’s ability to mobilize resources (seizing) and to adapt internal processes to changing environmental conditions (reconfiguring). However, the moderate strength of the relationship observed in this study suggests that while SMEs may be capable of identifying opportunities (as evidenced by strong environmental scanning), they may face challenges in effectively reconfiguring their internal systems to exploit these opportunities fully. This indicates a partial realization of dynamic capabilities, where sensing outpaces execution capacity.

Importantly, the findings should also be interpreted in light of contradictory evidence. Some studies have reported that strategy implementation may not significantly influence performance, particularly in contexts where firms lack adequate resources or where implementation costs outweigh short-term benefits (Adegboyeg et al., 2021; Ates & Bitici, 2022). Such findings suggest that the relationship between implementation and growth is not universally linear but may instead be conditional on organisational readiness and resource availability. In this study, the moderate effect size may therefore reflect a mixed reality in which some SMEs successfully implement strategies while others struggle to do so effectively.

Furthermore, methodological considerations must be acknowledged. The reliance on self-reported data introduces the possibility of overestimation of implementation effectiveness, as respondents may perceive their organizations as more structured than they are in practice. Additionally, the cross-sectional design of the study limits the ability to capture the longitudinal effects of strategy implementation, which may take time to translate into measurable growth outcomes. In some cases, the benefits of implementation may only become evident over extended periods, particularly where investments in systems, training, or restructuring are required.

Another important dimension emerging from the findings is the integration of strategy into daily operations. SMEs that embed strategic priorities within routine activities—such as quality assurance, customer service, and operational planning—are more likely to experience tangible performance improvements. This suggests that effective implementation is less about formal structures alone and more about the degree to which strategy becomes embedded in organisational behaviour and decision-making processes.

In summary, while strategy implementation plays a critical role in driving sustainable business growth, its effectiveness within SMEs is shaped by resource constraints, organisational capabilities, and sector-specific pressures. The findings extend existing literature by demonstrating that in emerging and regulated environments, implementation is not simply a procedural step but a complex adaptive process, requiring continuous alignment between strategy, resources, and operational realities.

5.2.4: Strategy Monitoring and Evaluation and Sustainable Business Growth

The findings of this study indicate that strategy monitoring and evaluation has a statistically significant and moderately strong positive relationship with the sustainable growth of SMEs operating in Uganda's oil and gas sector. While this supports the widely held view that performance tracking and feedback mechanisms are essential for organisational success, a deeper examination highlights that the value of monitoring and evaluation lies not merely in measurement, but in the ability of firms to act on the insights generated.

At its core, strategy monitoring and evaluation involves assessing organisational performance against predefined objectives and using feedback to guide corrective actions (Itohan et al., 2024; Schuhly, 2022). The positive relationship observed in this study suggests that SMEs that regularly track performance indicators such as customer satisfaction, revenue trends, and operational efficiency are better positioned to identify performance gaps and adjust their strategies accordingly. However, the moderate strength of this relationship indicates that the effectiveness of monitoring and evaluation processes may not be uniform across firms.

One explanation for this finding is that many SMEs tend to adopt informal or unstructured approaches to performance evaluation. While firms may collect data through customer feedback, financial reports, or internal assessments, the extent to which this information is systematically analysed and translated into strategic adjustments varies significantly. In some cases, monitoring activities may be performed as routine exercises without leading to meaningful change, thereby limiting their impact on long-term growth. This observation aligns

with arguments in the literature that monitoring and evaluation systems are only effective when they are closely linked to decision-making and organisational learning processes.

From a theoretical perspective, the findings resonate with the “reconfiguring” dimension of the Dynamic Capabilities Theory, which emphasizes the ability of firms to continuously adapt and realign their internal processes in response to environmental feedback. Strategy monitoring and evaluation provide the diagnostic mechanisms that enable such adaptation. However, the moderate effect observed suggests that while SMEs may engage in evaluation activities, they may face challenges in translating insights into structural or strategic change, particularly where resources, expertise, or organisational flexibility are limited. This indicates that the reconfiguration capability of SMEs may be only partially developed, thereby constraining the full benefits of performance monitoring.

The role of Institutional Theory also provides additional explanatory insight. In regulated sectors such as oil and gas, monitoring and evaluation practices may contribute to organisational legitimacy by demonstrating accountability, transparency, and compliance with industry standards. Firms that track performance and report on outcomes may be viewed as more reliable and professionally managed. However, the findings of this study suggest that while such legitimacy pressures may encourage monitoring behaviour, they do not necessarily guarantee improved growth outcomes unless accompanied by effective internal utilisation of performance information.

Contradictory studies argue that monitoring and evaluation may have limited impact on SME performance, particularly where firms lack the analytical capacity or organisational discipline to use performance data effectively. In such contexts, evaluation mechanisms may generate information without driving action, resulting in “information overload” without strategic response. This perspective helps explain why the relationship observed in this study, although significant, is not as strong as might be expected given the central role of evaluation in strategic management theory.

Additionally, contextual realities within the oil and gas sector may influence the effectiveness of monitoring and evaluation practices. SMEs operating in this environment often face intense operational pressures, including tight deadlines, compliance requirements, and resource constraints. As a result, firms may prioritize short-term operational performance over systematic evaluation and long-term learning. This may limit the extent to which monitoring

outcomes are used to inform strategic adjustments, thereby moderating their impact on sustainable growth.

Methodological considerations also warrant attention. The use of self-reported data may lead to overestimation of the extent and effectiveness of monitoring practices, as respondents may equate the existence of feedback mechanisms with their actual utilisation. Furthermore, the cross-sectional design of the study restricts the ability to capture the longitudinal effects of monitoring and evaluation, which may only become evident over extended periods as firms iteratively refine their strategies.

A critical insight emerging from the findings is that the effectiveness of monitoring and evaluation depends on the degree to which it supports organisational learning and continuous improvement. SMEs that treat evaluation as a dynamic and iterative process—where feedback is actively used to refine strategies, improve processes, and respond to customer needs—are more likely to achieve sustained growth. Conversely, firms that engage in evaluation as a compliance or reporting activity, without integrating insights into strategic decisions, may fail to realise its full benefits.

In summary, while strategy monitoring and evaluation is confirmed as an important contributor to sustainable business growth, its impact within SMEs is shaped by the quality of implementation, the ability to translate insights into action, and the broader organisational context. The findings extend existing literature by demonstrating that in emerging and resource-constrained environments, the effectiveness of monitoring and evaluation is less about the presence of performance metrics and more about the strategic use of information to drive adaptive and continuous improvement.

5.2.5: Integrated Influence of Strategic Management Practices on Sustainable Business Growth

While the preceding subsections have examined the individual effects of environmental scanning, strategy formulation, strategy implementation, and strategy monitoring and evaluation, the findings of this study suggest that sustainable business growth among SMEs is best understood as a function of the interdependent and reinforcing nature of these strategic management practices rather than their isolated application.

A key insight emerging from this study is that the four strategic management practices do not operate independently; instead, they form a strategic cycle in which each stage informs and strengthens the others. Environmental scanning enables firms to identify opportunities and

threats, strategy formulation translates these insights into actionable plans, strategy implementation operationalises these plans, and monitoring and evaluation provides feedback for continuous improvement. SMEs that apply these practices in an integrated manner are therefore more likely to achieve sustained competitive advantage compared to those that apply them in isolation.

However, the findings also reveal an imbalance in influence across these practices, with environmental scanning emerging as the most dominant factor and strategy formulation contributing the least. This uneven distribution suggests that SMEs in Uganda's oil and gas sector may prioritise reactive and adaptive behaviours such as sensing and responding to external changes over formal planning processes. While this approach may enhance short-term responsiveness, it may limit long-term strategic coherence if not supported by structured planning and evaluation mechanisms.

From a theoretical perspective, these results provide important implications for the Dynamic Capabilities Theory. While the theory conceptualises firm success as a result of the combined capabilities of sensing, seizing, and reconfiguring (Teece, 2023), the findings of this study indicate that in resource-constrained SME contexts, these capabilities may not develop at the same pace. Specifically, SMEs appear to demonstrate stronger "sensing" capabilities (environmental scanning) relative to "seizing" (strategy formulation and implementation) and "reconfiguring" (monitoring and evaluation). This suggests that the practical application of dynamic capabilities in SMEs may be asymmetrical, shaped by resource limitations and contextual constraints.

Similarly, from the lens of Institutional Theory, the integrated application of strategic management practices enhances organisational legitimacy by signalling professionalism, compliance readiness, and operational competence. However, the findings also suggest that legitimacy derived from formal practices such as documented strategies may not translate into growth unless supported by effective execution and continuous adaptation. This reinforces the notion that legitimacy alone is insufficient without underlying operational strength.

Another important consideration emerging from the findings is that the effectiveness of strategic management practices is influenced by firm-specific factors such as size, education levels of management, and organisational capacity. SMEs with greater resource endowments are better positioned to institutionalise all four practices and to benefit from their combined effects. In contrast, smaller firms may adopt these practices selectively, focusing on those that

are more immediately practical or less resource-intensive, such as environmental scanning. This selective adoption may explain the variation in the strength of influence across practices. Furthermore, the results suggest that the relationship between strategic management practices and sustainable growth is not strictly linear. Instead, it may be contingent upon how well these practices are aligned and integrated within the organisation's operational context. For example, environmental scanning without effective implementation may lead to unrealised opportunities, while strategy formulation without monitoring may result in strategic drift. This highlights the importance of strategic coherence, where all elements of the strategic management process are aligned and mutually reinforcing.

It is also important to critically reflect on the potential limitations influencing these findings. The cross-sectional nature of the study restricts the ability to observe how the integration of these practices evolves over time, while the reliance on perceptual data may overstate the extent to which firms systematically apply all four practices. It is therefore possible that the observed relationships reflect aspirational practices rather than fully institutionalised processes within the SMEs studied.

In practical terms, the findings suggest that SMEs seeking sustainable growth should move beyond adopting individual strategic practices in isolation and instead focus on building an integrated strategic management system. This involves not only formalising strategic processes but also ensuring that they are actively used, continuously refined, and embedded within everyday organisational activities.

In conclusion, the study extends existing literature by demonstrating that sustainable growth in SMEs operating in emerging and highly regulated sectors is not driven by any single strategic management practice, but by the synergistic interaction of multiple practices operating as a coherent system. This insight contributes to both theory and practice by highlighting the importance of integration, balance, and contextual adaptation in the effective implementation of strategic management practices.

5.3: Limitations of the Study

5.3.1: Methodological Limitations

A key limitation of the study arises from the use of self-reported, perceptual data collected through structured questionnaires. Respondents were required to assess both the extent of strategic management practices within their firms and the level of business growth. This approach introduces the possibility of measurement bias, particularly in the form of Social

desirability bias, where respondents may have overstated their strategic practices to present their firms more favourably and subjective interpretation, where different respondents may have had varying understandings of concepts such as “sustainable growth” or “effective strategy implementation”

As a result, the relationships observed in this study may reflect perceived rather than objectively verified performance outcomes, which could lead to either overestimation or underestimation of the strength of associations.

Furthermore, the study operationalised complex constructs—such as strategic management practices and firm growth using Likert-scale measures, which might not have fully captured the multidimensional and dynamic nature of the constructs.

The current study adopted a cross-sectional research design, thus data used was collected at a single point in time. This approach limited the data that would have been acquired over a longer period of time to understand how the strategic management practices affected the SMEs business growth over time, thus significantly limiting the study’s ability to establish causal relationships between SMPs and sustainable growth.

5.3.2: Sampling and generalisation Limitations:

The study made use of purposive sampling procedure that focused only on SMEs that have been in existence for a period of more than five (5) years, registered on the PAU National Supplier Database and located within the Central Region of Uganda. Thus, the results of the Study cannot be generalised to present other SMEs in other parts of the country and operating in other sectors such as agriculture, manufacturing, as well as to unregistered SMEs.

5.3.3: Scope Limitations

The Study at hand focussed only on strategic management practices of SMEs as the only predictors of SME growth eliminating other potential contributors to growth such as access to finance, technological capability, and marketing positioning, among others. Thus, the explanatory power of the model does not capture the full complexity of SME growth dynamics.

This limitation of this study translates into a simplified and linear nature of the conceptual framework adopted for this study. The study conceptualised strategic management practices as having direct relationships with sustainable business growth, without explicitly incorporating potential moderating or mediating variables that may influence these relationships.

While this approach provided clarity and facilitated empirical testing, it may not fully capture the complexity of real-world SME environments, particularly in resource-constrained and highly regulated sectors such as Uganda's oil and gas industry.

Thus, it may be impractical to generalise the findings of the study to other sectors such as mining as well as other regions outside central Uganda.

5.4: Conclusions of the Study

The findings of this study provide empirical evidence that strategic management practices—namely environmental scanning, strategy formulation, strategy implementation, and strategy monitoring and evaluation—are positively associated with the perceived sustainable growth of SMEs operating within Uganda's oil and gas sector. In particular, environmental scanning emerged as the strongest predictor, suggesting that the ability of firms to anticipate and respond to external changes plays a critical role within this highly regulated and dynamic industry.

However, while these findings indicate meaningful relationships, they should be interpreted with appropriate caution. The study adopted a cross-sectional design, which limits the ability to establish causal relationships between strategic management practices and sustainable growth. As such, the results demonstrate associations rather than definitive causation, and it is possible that more successful firms are also more likely to adopt structured strategic management practices, rather than such practices being the sole drivers of growth.

Furthermore, the reliance on self-reported perceptual data introduces the possibility of response bias, where respondents may overestimate both the extent of strategic practices within their firms and their performance outcomes. Consequently, the strength of the relationships observed may reflect perceived rather than objectively measured performance, which warrants careful interpretation of the findings.

The conclusions are also shaped by the specific context of the study, namely SMEs operating within Uganda's oil and gas sector in the Central Region. This sector is characterized by strong regulatory oversight, local content requirements, and structured procurement systems, all of which may amplify the importance of practices such as environmental scanning and compliance-oriented strategy. Therefore, the findings may not be directly generalizable to SMEs operating in less regulated industries or in different geographical contexts.

Notwithstanding these limitations, the study contributes to existing knowledge by providing context-specific insights into how strategic management practices relate to SME growth within an emerging and highly regulated sector. The findings suggest that SMEs that adopt a more

structured and integrated approach to strategic management may be better positioned to navigate environmental uncertainties and sustain their operations over time. However, the extent to which these practices translate into measurable growth outcomes is likely to depend on firm-specific capabilities, resource availability, and the broader institutional environment.

Additionally, the study highlights that the influence of strategic management practices is not uniform across all dimensions. While environmental scanning demonstrated a strong association with growth, other practices such as strategy formulation showed relatively weaker effects, suggesting that the mere existence of formal plans may not guarantee improved performance unless supported by effective implementation and continuous evaluation.

In conclusion, this study provides suggestive evidence that strategic management practices are important components of SME growth within Uganda's oil and gas sector, but their impact should be understood as context-dependent, capability-driven, and subject to methodological limitations. Future research employing longitudinal designs, objective performance measures, and broader samples would be necessary to confirm the causal role of these practices and to strengthen the generalizability of the findings.

5.5: Recommendations of the study

Drawing on the study findings, while recognising the contextual and methodological constraints, the following recommendations are proposed for SME managers, policymakers, and future researchers

5.5.1: Managerial Recommendations

The study established a strong business growth influence of environmental scanning practices on SMEs in Uganda's oil and gas sector, which deployed the practices. It is therefore recommended that the SMEs should adopt the practices of regular environmental scanning initiatives to acclimatise themselves of emerging trends, external changes, new competitors and any regulatory changes.

However, given the fact that SMEs are often resource constrained, SME managers should adopt cost-effective environmental scanning initiatives such as participating in regular industry association meetings such as oil and gas supplier workshops, assigning staff responsible for looking out for notices, newsletters where such opportunities and threats are presented as opposed to adopting formal market intelligence systems.

The findings of the study revealed that the application of strategy formulation practices, such as having a clear and well-documented strategic plan, Vision and Mission statements among

the SMEs, had a significant and positive relationship with the growth of the SMEs. It is therefore urged that these SMEs embrace strategy formulation practices such as developing a documented strategic plan that clearly defines the SME's growth objectives. However, given capacity and resource constraints, the SMEs should consider making use of annual strategic plans, and gradually move into more advanced long-term strategic plans covering about three-to-five-year periods.

The study further found a statistically significant and moderately strong positive influence of Strategy Implementation on the sustainable growth of SMEs providing goods and services in Uganda's oil and gas sector. As such, enterprises are urged to pursue and practice strategy implementation initiatives for sustainable business growth.

The SME managers should break down the annual strategy into quarterly execution targets and assign accountable persons per initiative. Effective implementation of initiatives such as strategic resource allocation, effective leadership, aligned organizational structures, are key drivers which when continuously applied, will lead to growth in revenues, market share, profit bases, and subsequently, sustainable business growth for the enterprises.

Furthermore, the study established a statistically significant and moderately strong positive relationship between strategy evaluation initiatives deployed in SMEs in Uganda's oil and gas sector and their sustainable business growth. This Study, therefore, recommends that SMEs deploy and institutionalize strategy evaluation initiatives to identify any performance gaps and issues, early and consequently, deploy remedial actions that promote sustainable business growth and enduring competitiveness.

Actions that could be implemented by managers undertaking customer satisfaction surveys that can be used to obtain feedback to use for improvements, using revenue trackers and evaluation of what went wrong of every tender or opportunity lost. Managers should also consider holding monthly evaluation meetings to identify any gaps and draw strategies for better performance or to bridge the gaps. Such practices, when effectively applied, lead to increase in customer base and market share, which consequently culminate into business growth.

5.5.2: Policy Recommendations

Findings of the study revealed that strategic management practices of environmental scanning, strategy formulation, implementation and evaluation are positive contributors to sustainable growth of SMEs providing goods and services to Uganda's oil and gas sector. SMEs, as orchestrated by different scholars are critical to growth of many countries' economies as well

as providing employment to a significant proportion of the population. Thus, this study raises recommendations to policy.

The study attributed the low uptake of strategic management practices to lack ineffective deployment of the strategies which affects the strategies' impacts on the sustainable growth of the SMEs. It is thus recommended that policy makers and the Government establish strategic management support programs that provide training and capacity-building programmes to entrepreneurs of SMEs, enhancing their skills in environmental scanning, strategy formulation, implementation, and evaluation.

The other cited limitation on the adoption of the strategic management practices was because of the costs associated with the implementation of the strategies. It is thus commendable that Government and policy makers provide incentives such as grants and low-interest loans, to promote strategy management initiatives within SMEs that wish to practice the initiatives but find them costly, thus encouraging the SMEs to embrace and invest long-term strategic planning and management.

Environmental scanning practices required a lot of data to understand both the internal and external environment influencers of sustainable growth which the SMEs find difficult to obtain to inform their strategic plans. The Government should, therefore, support the SMEs with easier access to industry and market information through provision of technology infrastructure such as data access portals and platforms so that the SMEs have easy and ready access to such information. Furthermore, the Government should promote collaborations, networking and mentorship opportunities connecting SMEs to experienced industry leaders in strategic management, research institutions and academia to accelerate strategic learning. The government should develop and enforce policies that establish enabling environments for the adoption and sustainable implementation of rigorous strategic management practices, to stimulate growth and long-term survival of small and medium enterprises.

5.5.3: Future Research Recommendation

While this study provides useful insights into the relationship between strategic management practices and the sustainable growth of SMEs in Uganda's oil and gas sector, several opportunities exist for further research to deepen understanding and address the limitations identified in this study.

Firstly, future research should consider adopting longitudinal research designs to better capture the dynamic relationship between strategic management practices and firm growth over time.

The cross-sectional nature of the current study limits the ability to observe how strategies evolve and influence performance in the long term. Longitudinal studies tracking SMEs over a period of five to ten years would provide more robust insights into how strategic practices are developed, sustained, and translated into actual business growth outcomes across different stages of firm development.

Additionally, there is a need to incorporate mixed method approaches that combine quantitative techniques with qualitative methods such as interviews and case studies. While the current study provides statistical evidence of relationships between variables, it does not fully explain the underlying reasons why SMEs adopt or fail to implement strategic management practices. Qualitative inquiry would provide deeper insights into managerial decision-making processes, organisational challenges, and contextual factors influencing the effectiveness of strategic practices.

Furthermore, future studies should focus on barrier-oriented research to better understand the constraints that limit the adoption and effectiveness of strategic management practices among SMEs. In particular, research should explore the cost implications associated with implementing strategic management practices, the extent of managerial capability gaps, and the impact of regulatory and institutional burdens. Such studies would provide a more nuanced understanding of the trade-offs SMEs face and inform the design of more targeted and practical interventions.

Finally, future research may further examine the role of moderating and contextual variables, such as firm size, access to finance, technological capability, and managerial experience, in shaping the relationship between strategic management practices and firm growth. Understanding these moderating effects would contribute to a more comprehensive and context-sensitive model of SME performance.

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APPENDIX 1: SAMPLE EMAIL SENT OUT FOR DATA COLLECTION

RESEARCH ON THE INFLUENCE OF STRATEGIC MANAGEMENT PRACTICES ON THE SUSTAINABLE GROWTH OF SMALL AND MEDIUM ENTERPRISES IN UGANDA'S OIL AND GAS SECTOR

Lilian Nagawa <lilian.nagawa@strathmore.edu>

Sep 8, 2025,
10:39 AM

to Ronald.Athiyo

To: CEO and Management of Atro Engineering and Management

My name is Lilian Nagawa, I am an MBA candidate at Strathmore University Business School, currently working on my dissertation, titled "The Effect of Strategic Management Practices on the Sustainable Growth of Small and Medium Enterprises in Central Uganda Offering Services to Uganda's Oil and Gas Sector".

As an Enterprise registered on Petroleum Authority of Uganda's National Supplier Database for the provision of goods and services to Uganda's Oil and Gas Sector, you have been selected to participate in this survey. Your expertise and experience will provide invaluable insight for this research. I am, therefore, writing to respectfully ask for your participation in a confidential survey that should take no more than 15 minutes of your time to complete.

Please click on the survey link below to access the questionnaire:

https://docs.google.com/forms/d/1i9VdFDWkUIebu-cjXQ6ZD6Hp0C2CaAMa56w0VVFXroY/edit?usp=sharing_eil&ts=68b53919

Please be assured that:

1. Your participation is entirely voluntary
2. All responses will be kept strictly confidential and anonymous
3. The data will be used solely for academic purposes and will be presented in an aggregated format in my dissertation
4. The survey has been reviewed and approved by the Ethics Committees of Strathmore University Business School, Makerere University - College of Business and Management Sciences

Your contribution would be immensely helpful in ensuring the relevance and practical application of my research. I am pleased to share a summary of the key findings from my research upon its completion, as a gesture of my gratitude for your participation.

Thank you for considering my request and for your support of academic research.

Sincerely,

Lilian Nagawa

MBA candidate, Strathmore University Business School,

lilian.nagawa@strathmore.edu

Cell phone: 0775811949

APPENDIX II: RESEARCH INSTRUMENT

RESEARCH ON THE EFFECT OF STRATEGIC MANAGEMENT PRACTICES ON THE SUSTAINABLE GROWTH OF SMALL AND MEDIUM ENTERPRISES PROVIDING GOODS AND SERVICES TO THE OIL AND GAS SECTOR OF UGANDA

Dear Respondent,

This questionnaire is part of research aimed at assessing the effects of strategic management practices on the sustainable growth of small and medium enterprises in the oil and gas sector of Uganda. As one of the firms interested in providing services to the Uganda's Oil and Gas sector through your registration on Uganda National Supplier Database, you have been selected to participate in this survey.

Your participation is highly valued, and the results of this study will be used to enhance participation of SMEs in the oil and gas sector. The information provided will be handled with utmost confidentiality.

SECTION AI: RESPONDENTS' DEMOGRAPHIC CHARACTERISTICS

Please select by **ticking** your most appropriate response to the following issues.

A1: Gender

1: Male ☐ 2: Female ☐ 3. Prefer not to say ☐

A2: Indicate your age group

18-29 years ☐ 30-39 years ☐ 40-49 years ☐

59-59 years ☐ 60 years above ☐

A3: Indicate your highest level of education

No education: ☐ Primary ☐ Secondary ☐ Certificate ☐

Diploma ☐ Bachelor's Degree ☐ Postgraduate Degree ☐

A4: For how long have you been in the business?

Less than 1 year ☐ 1-5 years ☐ 5-10 years ☐

10 years and above ☐

SECTION B: CHARACTERISTICS OF SMALL AND MEDIUM ENTERPRISES

B1: Which Services or products do you provide to Uganda's Oil and gas sector?

B2: How long has this company been in existence? Please tick (✓) the appropriate box

Less than 5 years	☐
5 - 10 years	☐
11 - 15 years	☐
15 years and above	☐

B3: How many employees does the company have?

Below 50	☐
50 - 99	☐
100 - 245	☐
250 and above persons	☐

SECTION C: ENVIRONMENTAL SCANNING

Please respond to the following statements by indicating the extent to which you agree or disagree. Based on the following: **1-Strongly Disagree (SD), 2-Disagree (D), 3-Moderately Disagree (MD), 4- Neutral, 5 - Moderately Agree (MA), 6-Agree (A), 7-Strongly Agree (SA).**

Code	Statements	SD	D	MD	N	MA	A	SA
BUSINESS ENVIRONMENT								
M1	Our management pays attention and anticipates changes in our external environment.	1	2	3	4	5	6	7
M2	Our management communicates external threats and opportunities to all business levels.	1	2	3	4	5	6	7
M3	Our management proactively adapts strategies based on environmental insights.	1	2	3	4	5	6	7
M4	Our management empowers teams to explore and act upon emerging environmental trends	1	2	3	4	5	6	7
M5	Our management regularly evaluates and refines strategies in response to external changes.	1	2	3	4	5	6	7
ORGANIZATION CULTURE								
C1	Our organization fosters a business culture that values proactive environmental scanning.	1	2	3	4	5	6	7
C2	Our organization encourages openness to diverse external perspectives within our team.	1	2	3	4	5	6	7

C3	Our organization culture supports continuous learning and adaptation to emerging environmental trends.	1	2	3	4	5	6	7
C4	Our organization prioritizes collaboration and the sharing of insights from environmental scanning.	1	2	3	4	5	6	7
C5	Our organization's culture actively promotes innovation driven by environmental insights.	1	2	3	4	5	6	7
C6	Our organization maintains transparent communication about external challenges and opportunities.	1	2	3	4	5	6	7
C7	Our organization regularly evaluates and refines our cultural practices to better respond to external changes.	1	2	3	4	5	6	7
Skills and Competencies								
S1	Our organization possesses robust analytical skills to identify emerging environmental trends.	1	2	3	4	5	6	7
S2	Our organization actively pursues opportunities to update and refine our environmental scanning skills.	1	2	3	4	5	6	7
S3	Our organization has the expertise to accurately interpret complex environmental data.	1	2	3	4	5	6	7
S4	Our organization effectively translates environmental scanning insights into strategic decisions.	1	2	3	4	5	6	7
S5	Our organization maintains a comprehensive awareness of external factors impacting our industry.	1	2	3	4	5	6	7
S6	Our organization integrates environmental scanning results into actionable business strategies.	1	2	3	4	5	6	7
Competitor analysis								
CA1	Our organization systematically monitors our competitors' strategies to identify emerging market trends	1	2	3	4	5	6	7
CA2	Our organization accurately assesses our competitors' strengths and weaknesses	1	2	3	4	5	6	7
CA3	Our organization analyze our competitors' market positioning to effectively adjust our own strategies.	1	2	3	4	5	6	7
CA4	Our organization integrate findings from competitor analysis into our overall environmental scanning process.	1	2	3	4	5	6	7
CA5	Our organization benchmark our performance against competitors using structured and regular analysis.	1	2	3	4	5	6	7
CA6	Our organization actively gathers competitor insights to predict industry shifts and market trends.	1	2	3	4	5	6	7
Market trends								
MT1	Our organization systematically monitors market trends to identify emerging opportunities and threats	1	2	3	4	5	6	7

MT2	Our organization continuously updates our market intelligence to support proactive strategic decisions.	1	2	3	4	5	6	7
MT3	Our organization effectively analyzes shifts in consumer preferences and overall market conditions.	1	2	3	4	5	6	7
MT4	Our organization integrates insights from market trends into our strategic planning processes	1	2	3	4	5	6	7
MT5	Our organization benchmarks our market performance against evolving industry trends.	1	2	3	4	5	6	7
MT6	Our organization actively gathers and assess market data to gauge the impact of external trends.	1	2	3	4	5	6	7

SECTION D: Strategy Formulation

Please respond to the following statements by indicating the extent to which you agree or disagree. Based on the following: **1-Strongly Disagree (SD), 2-Disagree (D), 3-Moderately Disagree (MD), 4-Neutral (N), 5-Moderately Agree (MA), 6-Agree (A) and 7-Strongly Agree (SA).**

Code	Statements	SD	D	MD	N	MA	A	SA
	Documented Vision and Mission Statement							
Mk1	Our organization has a documented vision statement that defines our long-term direction.	1	2	3	4	5	6	7
Mk2	Our organization mission statement is thoroughly documented and accessible to all team members.	1	2	3	4	5	6	7
Mk3	Our organization consistently communicates our documented vision and mission throughout the organization.	1	2	3	4	5	6	7
Mk4	Our organization documented vision and mission align with our strategic objectives and goals.	1	2	3	4	5	6	7
Mk5	Our organization regularly reviews and updates our vision and mission statements to maintain their relevance.	1	2	3	4	5	6	7
Mk6	Our organization language used in our vision and mission statements is concise, clear, and actionable.	1	2	3	4	5	6	7
Mk7	Our organization vision and mission statements are integrated into our overall strategic planning process.	1	2	3	4	5	6	7
	Strategic plan							
Ma1	Our organization has a documented strategic plan that outlines clear long-term goals and objectives.	1	2	3	4	5	6	7

Ma2	Our organization strategic goals are well-defined, measurable, and aligned with our business vision.	1	2	3	4	5	6	7
Ma3	Our organization allocates resources in accordance with the strategic goals outlined in our plan.	1	2	3	4	5	6	7
Ma4	Our organization strategic goals are supported by detailed action plans and performance indicators.	1	2	3	4	5	6	7
Ma5	Our organization strategic plan provides a clear roadmap for achieving competitive advantage.	1	2	3	4	5	6	7
Ma6	Our organization monitors progress toward our strategic goals through regular performance assessments.	1	2	3	4	5	6	7
Ma7	Our organization strategic plan facilitates coordinated efforts across departments to achieve business objectives.	1	2	3	4	5	6	7
	Stakeholder involvement							
Ms1	Our organization actively engage internal stakeholders in the development of our strategic plan.	1	2	3	4	5	6	7
Ms2	Our organization seeks input from external stakeholders to incorporate diverse perspectives into our strategy formulation.	1	2	3	4	5	6	7
Ms3	Our organization strategic planning process includes structured mechanisms for stakeholder feedback.	1	2	3	4	5	6	7
Ms4	Our organization holds regular meetings with key stakeholders to discuss and refine our strategic goals.	1	2	3	4	5	6	7
Ms5	Our organization integrates stakeholder insights and concerns into our strategic decision-making.	1	2	3	4	5	6	7
Ms6	Our organization continuously has transparent communication with stakeholders as a priority throughout our strategy formulation process.	1	2	3	4	5	6	7
Ms7	Our organization regularly reviews and adjusts our strategic priorities based on stakeholder feedback.	1	2	3	4	5	6	7

SECTION E: STRATEGY IMPLEMENTATION

Please respond to the following statements by indicating the extent to which you agree or disagree. Based on the following: **1-Strongly Disagree (SD)**, **2-Disagree (D)**, **3-Moderately Disagree (MD)**, **4-Neutral**, **5-Moderately Agree (MA)**, **6-Agree (A)** and **7-Strongly Agree (SA)**.

Code	Statements	SD	D	MD	N	MA	A	SA
Implementation Plan								
S1	Our organization has a well-documented implementation plan that outlines clear steps for executing our strategy	1	2	3	4	5	6	7
S2	Our organization implementation plan includes specific timelines and milestones for achieving strategic objectives.	1	2	3	4	5	6	7
S3	Our organization assigns clear roles and responsibilities to ensure effective execution of our strategic plan.	1	2	3	4	5	6	7
S4	Our organization ensures that adequate resources are allocated to support strategy implementation.	1	2	3	4	5	6	7
S5	Our organization have a structured process for monitoring and evaluating the execution of our implementation plan.	1	2	3	4	5	6	7
S6	Our organization regularly tracks progress against the implementation plan and makes necessary adjustments.	1	2	3	4	5	6	7
S7	Our organization aligns our implementation plan with performance measurement systems to ensure accountability."	1	2	3	4	5	6	7
Resource Allocation								
C1	Our organization allocates financial resources in alignment with our strategic priorities.	1	2	3	4	5	6	7
C2	Our organization resource allocation process is transparent and aligned with business goals.	1	2	3	4	5	6	7
C3	Our organization regularly assess and adjust resource distribution to meet strategic needs	1	2	3	4	5	6	7
C4	Our organization prioritize funding for key strategic initiatives to ensure their successful execution.	1	2	3	4	5	6	7
C5	Our organization balance short-term operational needs with long-term strategic resource allocation.	1	2	3	4	5	6	7
C6	Our organization have clear mechanisms to track and evaluate the effectiveness of resource utilization in strategy execution."	1	2	3	4	5	6	7

C7	Our organization promptly reallocates resources when strategic priorities change.	1	2	3	4	5	6	7
Organisational Structures								
Q1	Our organization business structure supports the effective implementation of our strategic plan	1	2	3	4	5	6	7
Q2	Roles and responsibilities within our organization are clearly defined to facilitate strategy execution.	1	2	3	4	5	6	7
Q3	Our organization has a well-structured reporting system that enhances accountability in strategy implementation.	1	2	3	4	5	6	7
Q4	Our organization has cross-functional collaboration mechanisms that enhance strategy execution.	1	2	3	4	5	6	7
Q5	Our organization has decentralized decision-making where necessary to speed up strategy execution.	1	2	3	4	5	6	7
Q6	Our communication channels are well-defined, ensuring alignment with strategic priorities."	1	2	3	4	5	6	7
Q7	Our management structure effectively supports the coordination and integration of strategic initiatives.	1	2	3	4	5	6	7
Systems and Processes								
SI1	Our organization have standardized procedures to ensure consistency in executing strategic initiatives.	1	2	3	4	5	6	7
SI2	Our organization continuously improve our processes to align with evolving strategic objectives.	1	2	3	4	5	6	7
SI3	Our organization workflow processes are structured to enhance efficiency in strategy execution.	1	2	3	4	5	6	7
SI4	Our organization has clear guidelines for integrating new strategies into existing processes.	1	2	3	4	5	6	7
SI5	Our organization operational processes are aligned with our long-term strategic goals.	1	2	3	4	5	6	7
SI6	Our organization has mechanisms in place to ensure accountability and compliance within our systems and processes	1	2	3	4	5	6	7
Effective Leadership								
E1	Our management provides clear direction and guidance for effective strategy implementation.	1	2	3	4	5	6	7
E2	Our organization's management actively communicates strategic goals and expectations across the organization.	1	2	3	4	5	6	7
E3	Our organization management that inspires and motivates teams to achieve strategic objectives.	1	2	3	4	5	6	7
E4	Our organization's management effectively allocates resources to support strategy implementation.	1	2	3	4	5	6	7

E5	Our organization management demonstrates adaptability and responsiveness to changes during strategy execution.	1	2	3	4	5	6	7
E6	Our organization's management encourages innovation and continuous improvement in strategy implementation."	1	2	3	4	5	6	7
E7	Our organization's management monitors progress and provides timely feedback on strategy implementation efforts.	1	2	3	4	5	6	7

SECTION F: STRATEGY EVALUATION

Please respond to the following statements by indicating the extent to which you agree or disagree. Based on the following: **1-Strongly Disagree (SD), 2-Disagree (D), 3-Moderately Disagree (MD), 4- Neutral, 5 - Moderately Agree (MA), 6-Agree (A) and 7-Strongly Agree (SA).**

Code	Statements	SD	D	MD	N	M A	A	SA
Customer Satisfaction Surveys, and Feedback								
T1	Our business regularly conducts customer satisfaction surveys to assess our service quality	1	2	3	4	5	6	7
T2	Our business actively collects and analyses customer feedback to evaluate strategy effectiveness.	1	2	3	4	5	6	7
T3	Our business uses structured surveys to measure customer satisfaction with our products and services	1	2	3	4	5	6	7
T4	Customer feedback is integrated into our strategy evaluation and decision-making processes.	1	2	3	4	5	6	7
T5	Our business has clear mechanisms to track changes in customer satisfaction over time.	1	2	3	4	5	6	7
T6	Our organization takes prompt action in response to customer feedback to improve performance.	1	2	3	4	5	6	7
T7	Customer feedback is a key factor in assessing the success of our strategic initiatives.	1	2	3	4	5	6	7
Changes in Revenues								
B1	Our business regularly monitors revenue trends to assess the effectiveness of our strategic initiatives.	1	2	3	4	5	6	7
B2	Our business evaluates changes in revenue as a key indicator of strategy success.	1	2	3	4	5	6	7
B3	Our business analyses revenue growth to determine the impact of our strategic decisions.	1	2	3	4	5	6	7

B4	Our business revenue performance is consistently reviewed against strategic goals and targets.	1	2	3	4	5	6	7
B5	Our business assesses how changes in revenue align with shifts in market demand and competitive positioning.	1	2	3	4	5	6	7
B6	Our management takes proactive measures when revenue trends indicate strategic adjustments are needed.	1	2	3	4	5	6	7
B7	Our business compares our revenue growth with industry benchmarks to evaluate strategic performance."	1	2	3	4	5	6	7
Efficiency of Processes								
A1	Our organization regularly evaluates the efficiency of our processes to assess strategy effectiveness.	1	2	3	4	5	6	7
A2	Our organization has streamlined processes that enhance operational efficiency	1	2	3	4	5	6	7
A3	Our organization track process performance metrics to identify areas for improvement	1	2	3	4	5	6	7
A4	Our organization processes are continuously optimized to align with strategic objectives.	1	2	3	4	5	6	7
A5	Our organization minimize redundancies and inefficiencies in our workflows through regular process evaluations.	1	2	3	4	5	6	7
A6	Process efficiency evaluations are integrated into our overall strategy assessment framework.	1	2	3	4	5	6	7
A7	Our organization implements feedback-driven improvements to enhance process efficiency.	1	2	3	4	5	6	7
Performance appraisals								
F1	Our organization conducts regular performance appraisals to assess employee contributions to strategic goals.	1	2	3	4	5	6	7
F2	Our organization's Performance appraisals are aligned with our overall strategic objectives.	1	2	3	4	5	6	7
F3	Our organization use performance appraisal results to improve individual and team effectiveness in strategy execution.	1	2	3	4	5	6	7
F4	Employees receive constructive feedback through performance appraisals to enhance strategic alignment.	1	2	3	4	5	6	7
F5	Our organization's performance appraisal system effectively identifies strengths and areas for improvement in achieving strategic goals.	1	2	3	4	5	6	7
F6	Performance evaluations incorporate measurable key performance indicators (KPIs) linked to strategy.	1	2	3	4	5	6	7

F7	Our organization use appraisal outcomes to inform training and development initiatives that support strategic success.	1	2	3	4	5	6	7
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SECTION G: SUSTAINABLE BUSINESS GROWTH

Please respond to the following statements by indicating the extent to which you agree or disagree. Based on the following: **1-Strongly Disagree (SD)**, **2-Disagree (D)**, **3-Moderately Disagree (MD)**, **4- Neutral**, **5 - Moderately Agree (MA)**, **6-Agree (A)** and **7-Strongly Agree (SA)**.

Code	Statements	SD	D	MD	N	MA	A	SA
Revenue growth								
s1	The business consistently meets sales targets	1	2	3	4	5	6	7
s2	The business's sales exceed operational costs	1	2	3	4	5	6	7
s3	The business sales are stable	1	2	3	4	5	6	7
s4	The business frequently makes sales	1	2	3	4	5	6	7
S5	The business sales are growing steadily	1	2	3	4	5	6	7
S6	Savings from sales are increasing steadily	1	2	3	4	5	6	7
S7	Business stock is growing as a result of increasing sales	1	2	3	4	5	6	7
Profit growth								
P1	The business consistently meets profit targets	1	2	3	4	5	6	7
P2	The business's profits exceed operational costs	1	2	3	4	5	6	7
P3	The business profits are stable over time	1	2	3	4	5	6	7
P4	The business experiences frequent profitable sales.	1	2	3	4	5	6	7
P5	The business profits are growing steadily	1	2	3	4	5	6	7
P6	Savings from business profits are increasing steadily	1	2	3	4	5	6	7
Asset Growth								
A1	Our business has experienced consistent growth in its asset base over the past several years.	1	2	3	4	5	6	7
A2	Our business prioritizes asset growth as a key driver of our overall business growth strategy."	1	2	3	4	5	6	7
A3	Our business strategy includes clear objectives aimed at increasing our assets."	1	2	3	4	5	6	7
A4	Our business invests in asset acquisition and development to support sustainable business growth	1	2	3	4	5	6	7
A5	Our business has systems in place to track and manage asset growth in alignment with our business objectives.	1	2	3	4	5	6	7
Market Share Growth								
M1	The business retains a strong and growing base of repeat customers.	1	2	3	4	5	6	7
M2	A significant number of new customers come from referrals by existing customers.	1	2	3	4	5	6	7

M3	The business maintains a positive reputation with minimal customer complaints.	1	2	3	4	5	6	7
M4	Customer feedback indicates high satisfaction with our products and services.	1	2	3	4	5	6	7
M5	The business is expanding its reach and influence within the market.	1	2	3	4	5	6	7
M6	The customer base is growing at a steady and increasing rate.	1	2	3	4	5	6	7
Customer satisfaction								
CR1	Our business has a high rate of repeat customers.	1	2	3	4	5	6	7
CR2	New customers frequently come through referrals from existing customers.	1	2	3	4	5	6	7
CR3	The business receives minimal customer complaints over time.	1	2	3	4	5	6	7
CR4	Customer feedback consistently indicates satisfaction with our products and services.	1	2	3	4	5	6	7
CR5	The business is strengthening its presence and loyalty in the market.	1	2	3	4	5	6	7
CR6	The number of returning customers is steadily increasing.	1	2	3	4	5	6	7

Thank you for your participation.

APPENDIX III: LIST OF DISTRICTS THAT FORM THE CENTRAL REGION OF UGANDA

1. Buikwe
2. Bukomansimbi
3. Butambala
4. Buvuma (Island district in Lake Victoria)
5. Gomba
6. Kalangala (Island district in Lake Victoria)
7. Kalungu
8. Kampala (Capital City)
9. Kasanda (Formerly part of Mubende)
10. Kayunga
11. Kiboga
12. Kyankwanzi
13. Kyotera
14. Luweero
15. Lwengo
16. Lyantonde
17. Masaka
18. Mityana
19. Mpigi
20. Mubende
21. Mukono
22. Nakaseke
23. Nakasongola
24. Rakai
25. Sembabule
26. Wakiso (Surrounds Kampala and includes Entebbe)

APPENDIX IV: SIMILARITY INDEX REPORT

Lilian Nagawa

FINAL THESIS - LILIAN NAGAWA - August 2026.docx

 Strathmore University (Main Account)

Document Details

Submission ID

trn:oid::2945:394080274

Submission Date

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Page 2 of 116 - Integrity Overview

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APPENDIX V: ETHICAL APPROVALS

5th February 2025

Ms Nagawa Lilian,
Lilian.Nagawa@strathmore.edu

Dear Ms Nagawa,

RE: Effect of Strategic Management Practices on Sustainable Growth of Small and Medium Enterprises in the Oil and Gas Sector in Uganda

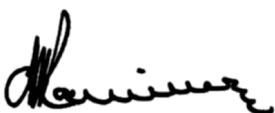
This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** proposal. Your application reference number is **SU-ISERC2556/25**. The approval period is from **5th February 2025 to 4th February 2026**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,



Mr Ambrose Rachier,
Chairperson; SU-ISERC

MAKERERE

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College of Business and Management Sciences Research Ethics Committee (CoBAMS-REC)

07/07/2025

To: Lilian Nagawa

0

Type: Initial Review

Re: CoBAMS-REC-2025-66: STRATEGIC MANAGEMENT PRACTICES AND SMALL AND MEDIUM ENTERPRISES' GROWTH IN THE OIL & GAS SECTOR, CENTRAL UGANDA

I am pleased to inform you that at the 25 convened meeting on **13/06/2025**, the Makerere University College of Business and Management Sciences REC (CoBAMS-REC) meeting voted to approve the above referenced application.

Approval of the research is for the period of **07/07/2025** to **07/07/2026**.

As Principal Investigator of the research, you are responsible for fulfilling the following requirements of approval:

1. All co-investigators must be kept informed of the status of the research.
2. Changes, amendments, and addenda to the protocol or the consent form must be submitted to the REC for re-review and approval **prior** to the activation of the changes.
3. Reports of unanticipated problems involving risks to participants or any new information which could change the risk benefit: ratio must be submitted to the REC.
4. Only approved consent forms are to be used in the enrollment of participants. All consent forms signed by participants and/or witnesses should be retained on file. The REC may conduct audits of all study records, and consent documentation may be part of such audits.
5. Continuing review application must be submitted to the REC **eight weeks** prior to the expiration date of **07/07/2026** in order to continue the study beyond the approved period. Failure to submit a continuing review application in a timely fashion may result in suspension or termination of the study.
6. The REC application number assigned to the research should be cited in any correspondence with the REC of record.
7. You are required to register the research protocol with the Uganda National Council for Science and Technology (UNCST) for final clearance to undertake the study in Uganda.

The following is the list of all documents approved in this application by Makerere University College of Business and Management Sciences REC (CoBAMS-REC):

No.	Document Title	Language	Version Number	Version Date
1	Informed Consent forms	English	2	2025-07-07
2	Protocol	English	3	2025-06-25
3	Revised Budget	English	2	2025-05-14
4	Community Engagement Plan	English	2	2025-05-14
5	Work Plan	English	2	2025-05-14
6	COVID-19 & EBOLA risk management plan	English	English	2025-02-27
7	CVs of the investigators	English	English	2025-01-12
8	Informed Consent forms	English	1	2025-01-12
9	Proof of ethical approval if the protocol originates from outside Uganda/International researchers	English	1	2025-02-05
10	Letter department supervisor	English	1	2025-02-27
11	Data collection tools	English	1	2025-02-22
12	CVs of the investigators	English	1	2025-02-27

Yours Sincerely



Assoc. Prof. Eddy Walakira

For: Makerere University College of Business and Management Sciences REC (CoBAMS-REC)



Uganda National Council for Science and Technology

(Established by Act of Parliament of the Republic of Uganda)

22 July 2025

Our Ref: SS3672ES

Lilian Nagawa
Uganda National Oil Company
Kampala



Re: Research Approval: Effect of Strategic Management Practices on Sustainable Growth of Small and Medium Enterprises in the Oil and Gas Sector in Uganda

I am pleased to inform you that on **22/07/2025**, the Uganda National Council for Science and Technology (UNCST) approved the above referenced research project. The Approval of the research project is for the period of **22/07/2025** to **22/07/2026**.

Your research registration number with the UNCST is **SS3672ES**. Please, cite this number in all your future correspondences with UNCST in respect of the above research project. As the Principal Investigator of the research project, you are responsible for fulfilling the following requirements of approval:

1. Keeping all co-investigators informed of the status of the research.
2. Submitting all changes, amendments, and addenda to the research protocol or the consent form (where applicable) to the designated Research Ethics Committee (REC) or Lead Agency for re-review and approval **prior** to the activation of the changes. UNCST must be notified of the approved changes within five working days.
3. For clinical trials, all serious adverse events must be reported promptly to the designated local REC for review with copies to the National Drug Authority and a notification to the UNCST.
4. Unanticipated problems involving risks to research participants or other must be reported promptly to the UNCST. New information that becomes available which could change the risk/benefit ratio must be submitted promptly for UNCST notification after review by the REC.
5. Only approved study procedures are to be implemented. The UNCST may conduct impromptu audits of all study records.
6. An annual progress report and approval letter of continuation from the REC must be submitted electronically to UNCST. Failure to do so may result in termination of the research project.

Please note that this approval includes all study related tools submitted as part of the application as shown below:

No.	Document Title	Language	Version Number	Version Date
1	Questionnaire for the Research	English	FINAL	11 February 2025
2	Project Proposal	English	VERSION 1	
3	Approval Letter	English		
4	Administrative Clearance	English		

Yours sincerely,



Hellen Opolot

For: Executive Secretary

UGANDA NATIONAL COUNCIL FOR SCIENCE AND TECHNOLOGY

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