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**FACTORS AFFECTING GROWTH OF MICRO AND SMALL BUSINESSES IN
UGANDA; A CASE STUDY OF MUKONO
MUNICIPALITY CENTRAL DIVISION**

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ABSTRACT

This study focussed on assessing the factors affecting growth of micro and small businesses in Uganda, a case of Mukono Municipality Central Division. The study was guided by the following objectives namely; to determine the nature of Micro and Small businesses, to determine the internal as well as external environmental factors affecting growth of micro and small enterprises in Mukono Municipality Central Division.

The study used a cross sectional qualitative design conducted on 80 managers/CEOs of micro and small businesses from four administrative units of Mukono Municipality Central Division namely; Ggulu, Namumira, Nsuube and Ntaawo wards.

The study findings indicate that most of the businesses were ranging from 0-1 years, which are mostly run by relatives with very few employees from outside. More still, the study found out that, MSEs in Mukono Municipality don't organise employee training. However, employees are innovative and capable of identifying few opportunities for their enterprises. Furthermore, the study findings show that, low governmental support, increasing cost of a shilling against a dollar and changing attitudes of the clients are the most external factors affecting their performance.

The following recommendations were therefore made; business managers should carry out business planning in order to improve business performance, business managers should employ more outsiders than relatives in order to improve service quality of their enterprises. Business managers should train their employees in areas that increase efficiency of service delivery.