



Exposition of competencies that matter: an owner-manager perspective of climacteric leadership competencies in Ugandan SMEs

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Abstract

As one of the most entrepreneurial nation in the world whose pride is obscured by the unusually high business mortality rates, the complexities faced by SME owner-managers are real and they demand leadership competencies beyond the rudimentary ones when owner-managers start their businesses. Leadership competencies have been proved beyond doubt to be critical factors for owner-managers of SMEs to be successful and to lead their SMEs to play the envisaged role of driving economic development. Using a quantitative and qualitative cross-sectional survey design, this paper sought to highlight the leadership competencies that are climacteric for the growth and survival of Ugandan SMEs. From empirical findings, enabling others to act, modelling the way, encouraging the heart and challenging the process were the most essential leadership competencies for SME owner-managers and inspiring a shared vision were considered to be the least essential. The result of this study can be seen as vital information for business advisors, policy makers and leadership practioners in SMEs and educators to help them design effective training programs that target enrichment of the enlisted leadership competencies. Explicit implications and suggestions for SMEs through deliberate context specific interventions are proposed.

Key words: Leadership Competencies, Leadership Practice Inventory (LPI), SMEs, Owner-Managers, Uganda.

Introduction

SMEs come to exist when enterprising individuals have fantastic business ideas and the initial growth and success of the business largely depends on the leaders' inspiration, strategic vision and their ability to translate the vision into successful business initiatives. However along the way, SME owner-managers inevitably grapple to keep their businesses extant. Been resource poor, the challenge for the owner-managers are almost never ending and its worse when amidst the lack of vital resources they have to compete favourably with established Chinese companies that flood more cheaper goods into the congested market space. Certainly to keep afloat of the ocean of difficulties, owner-managers have no choice but to learn and acquire strong leadership competencies to confront the reality of succeeding in turbulent times and environments. Faced with voluminous challenges, it becomes very important for them to precisely know what set of knowledge, skills, and attitudes SME owner-managers must possess in their arsenal if at all they stand to succeed in unfriendly economic times. This line of argument is backed by Batchelder (2010) who recommended using competencies for improved performance outcomes

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Following the above line of analysis, it is apparent that owner-managers need help and with clear and compelling evidence that deficiencies in leadership competencies are holding back competitiveness of SMEs and based on the UK Commission for Employment and Skills' National Strategic Skills Audit 2010 findings that good leadership skills are vital towards high performance and business success, improving their leadership competencies is the key to unlocking the potential of SMEs. This in turn will allow them to seize the opportunities available to them and achieve sustainable growth and prosperity.

Researchers and other stakeholders if at all they care about the survival, growth and success of local SMEs need to make serious attempts towards identifying leadership competencies that matter most and focus on developing them. As victims of SME failure in most cases and well aware that SME success is often directly shaped by their owner-managers, wider stakeholder input is indeed paramount in identifying a coherent list of essential competencies for owner-managers to develop and embrace as their horizons broaden and the challenges spiral. By setting out to provide them with a context specific and climacteric competence model, this study supports owner-managers to become competent business leaders who can guarantee growth and longevity of their enterprises.

This survey study conducted among Ugandan SMEs therefore explored owner-manager leadership competencies with the noble intention of clearly ranking them according to their degree of eminence for SME survival and success. Specifically, it explores within the Ugandan context the must-have competencies that owner-managers are expected to manifest amidst disturbing SME mortality rates. An examination of relevant leadership competencies for owner-managers is legitimized by the importance of considering owner-managers expert opinions. A list of leadership competencies was developed based on Leadership Practices Inventory® (Self) and this inventory was presented to owner-managers to rank them according to their perceived level of importance. This study posits that the outcomes of these survey provide valuable information for business advisors, educators and policy makers who can help SMEs adapt their competencies for a successful venture leadership. A discussion of the findings and implications for future research are also presented.

Statement of the Problem

Ideally, SME owner-managers who are equipped with the right leadership competencies and business abilities should easily cut through complexities at an accelerating pace. They should also be able to win in the volatile, competitive and challenging business world perhaps faster than their competition. But the reality facing Ugandan SME owner-managers is totally different as evidenced by the short-livedness of many SMEs which is attributed to the weak and ineffective leadership in Ugandan SMEs (Rwakakamba, 2011, Briggs 2009 & Tushabomwe-Kazooba, 2006). If the leadership competence problems be-deviling SMEs is not fixed very quickly, many SMEs will continue to collapse, the investors will lose their investments, employees will lose their jobs, the community will lose a means of the production and distribution of goods and services and the government will lose tax revenues and it also reduces the standards of living and brings about the deprivation of goods and services.

However, Ugandan SME Owner-managers should not be wholesomely blamed for these circumstances because researchers have also not played their fair part in helping them despite being aware that many SMEs do not prioritize development of their leadership and management skills. Researchers ought to have ingrained in business owners the notion that good leadership competencies are indispensable and are essential to helping businesses to achieve long-term, sustainable growth. Researchers out to go as far as pointing for them the most essential competencies to acquire to guarantee business growth and survival. Limited research assessing climacteric leadership competencies in Ugandan SME contexts raises serious uncertainty about whether leadership growth and development needs are been addressed adequately in SMEs to stimulate their success and sustainability. Up to now, we know little about what the core leadership competencies required for successful SME leadership in Ugandan context are. More unfortunately, present studies in leadership competencies offer little that informs the debate on the contextual validity of the mostly westernized competency models. Being aware of these gaps and regarding this as a high priority issue that

requires immediate action, this study embarked on helping SMEs identify leadership competencies that matter and are effective in mitigating the high SME mortality rates in Uganda.

Objective of the Study

This study aimed to answer the following question: What are the leadership competencies most frequently cited as of high importance by Ugandan SME owner-managers?

Literature Review

Theoretical review

Theoretically, the resource-based view and leadership competency theory informs the theoretical foundation of this study.

According to the Resource Based View (RBV) (Penrose, 1959; Rumelt, 1984; Teece, 1984; Wernerfelt, 1984; Barney, 1991), the central research question of “Why do some firms persistently outperform others can be explained by the resource-based view (RBV) as one of several important explanations of persistent firm performance differences. Therefore by asserting that organizations should look inside the company to find the sources necessary to gain and sustain competitive advantage, the RBV helps us support the identification of essential leadership competencies of SME owner-managers as vital resource for superior SME performance and success.

According to Boyatzis’ theory of leadership competency (Boyatzis, 1982), a person would have effective and/or superior performance in a job if he or she exhibited the right combination of knowledge, skills, values, attitudes, traits and behaviors. Therefore by advocating for the identification of competencies which results in the most effective and superior performance in a job, Boyatzis’ theory of leadership competency this theory also informs the theoretical foundation of this study.

The Concept of Competence

Boyatzis (1982) defined leadership competence broadly as an underlying characteristic that could be a motive, trait, and skill, an aspect of their self-image or social role, or body of knowledge of a person that lead to or cause effective and outstanding performance. Woodruffe (1992) however defined competency as a set of behaviour patterns that an incumbent needs to bring to a position in order to perform its tasks and functions with competence. Woodruffe (1992) contended that competency is concerned with people’s behaviour that is relevant to performance in the job. He considered competency to be the behaviours people need to display in order to do a job effectively e.g. sensitivity) and competence as areas of operation and job functions e.g. staff development).

Nordhaug (1993) a respected expert in the competency field defines competence as the composition of human knowledge, skills and aptitudes that may serve productive purposes in organisations. According to another expert in the field, Gonzi et al., (1993), a competence is a combination of attributes underlying some aspect of professional performance though attributes of individuals do not themselves constitute competence nor is competence the mere performance of a series of tasks but rather an integration of attributes with performance.

The Chartered Institute of Personnel and Development (CIPD, 2009, 1) also added to the debate by defining Competency as the behaviors that employees must have, or must acquire, to input into a situation in order to achieve high levels of performance, while ‘competence’ relates to a system of minimum standards or is demonstrated by performance and outputs.

Most recently, Mulder (2014) defines competence as: the set of integrated capabilities which consist of

content-related clusters of knowledge, skills, and attitudes, which are conditional for sustainable effective performance (including problem solving, realizing innovation, and creating transformation) in a certain context, profession, organisation, job, role and situation.

Competence studies has featured as an area of interest for several scholars for decades and its apparent that past research has identified a plethora of generic competencies that need to be developed to succeed in business ventures. For example, Ronstad (1985) suggested a set of fourteen competencies and Garavan & O’Cinneide (1994) identified reality-testing skills, creativity, ambiguity tolerance and stress-coping mechanisms as specific competencies that entrepreneurs require to succeed. As reported by Bird (1988), enterprise leaders with networking and team building skills are more successful than counterparts who do not possess these skills. Hood & Young (1993) also mentioned four primary areas that must be developed for enterprise success i.e. Leadership skills, oral and written communication skills, and human relations skills which he regarded as the most important skills for successful entrepreneurship. Bird (1995) generated a more comprehensive list of the core competencies that are vital to business success though his list considered a hybrid of those competencies that have had empirical support as well as those that are simply speculative and devoid of a proper theoretical basis.

For purposes of this study, the Society for Human Resource Management’s definition of Leadership Competencies as ‘leadership skills and behaviors that contribute to superior performance’ is adopted.

Competence and Performance

Literature linking competencies and performance has proven beyond doubt a positive association between the two concepts of leadership competencies and firm performance. For example, Chandler & Jansen (1992) based on his studies on the relationship between enterprise founders leadership competencies and performance, identified five competency areas of human and conceptual competencies, namely; ability to recognize opportunities, drive to see venture through to fruition, technical- functional competencies, and political competencies as those critical and associated with successful business founders. Chandler & Hanks, (1994) also provides evidence of direct relationships between founders’ managerial competencies and firm performance. Man & Lau, (2000) in their study found strong links between competencies of SME owner-managers in the Hong Kong services sector and firm performance. Furthermore, Karamat, (2013), reveals that leadership competencies are critical in ensuring good organization performance. As we see from the above line of discussion, the general agreement is that SME owner-managers are expected to possess some core leadership competencies if they are to perform well and succeed.

Given the above evidence linking competence to good organization performance, this study is significant because it seeks to identify the core leadership competencies that can fuel excellent performance of SMEs.

Synthesis of the Literature Review

From the review of literature, there is no doubt that a relationship exists between competencies and performance (McClelland, 2003; Liu, 2010; Levenson, 2006; Ryan et al., 2009). Unfortunately, literature reviewed on this subject are centered more on advanced economy contexts and on subjective frameworks mostly concentrated around big businesses, with no regard for the SME in emerging economies such as Uganda. In fact the main arguments in these studies are ill bent on generic competencies that are grounded on the ability to undertake specific tasks but with no regards for contextual dimensions.

Furthermore, most of the reviewed studies have broad results focusing on too many, related and creatively worded competencies which less educated and resource poor Ugandan SME owner-managers cannot comprehend and admire to acquire. Susan (2010) contends that presenting someone with a laundry list of areas for development is demotivating and contrary to the goal of implementing a competency framework and it can create too great of a focus on the negative. This glaring problem of too many competencies

certainly calls for a need to simplify the competency models to easily learnable proportions considering that an enormous list of competencies could equally lead to an enormous list of areas for improvement which overwhelms even strong performers (Susan, 2010). Wu, Lee and Tzeng (2005) recommended eight as the maximum number of competencies whereas Ulrich & Smallwood (2006) suggested five competencies to be enough for managers, something this study concurs with. Susan (2010) on the other hand recommended fewer than ten competencies that are a must-have in the leadership pipeline. Kouzes & Posner (2003) recommended five leadership competencies for SMEs which this study adopts.

Notable from the review of literature is also the dependence on old models yet managers most especially owner-managers deserve not only good but an updated list of great competencies that they can deploy to sustain and grow their enterprises amidst rapid environmental changes. Therefore an updated competence model originated from this study could help future managers better than those based on yesterday's logic.

Further still, the studies reviewed were notably predominantly qualitative thus limiting their generalizability and most were carried out in retrospect with outsiders such as experts or students, focus groups or students characterized as opposed to self-rating by the direct beneficiaries in natural work settings. Instead of concentrating on performance as an outcome of competence, most studies that were reviewed tended to concentrate on acquisition of knowledge and yet in the words of (UDACE 1989), 'competence is concerned with what people can do rather than what they know'. This omission has made competencies bear a resemblance to a shopping list whereby ticking of all items in the list signifies mission accomplished and as a result, the role of further scrutiny to select a core and relevant few competencies that matter is abandoned. The other problem with this approach is that having many skills to learn is a de-motivator to the learners and could generate resistance and disinterest.

Lastly, despite obvious flaws like the one this study seeks to address, most studies reviewed had no proper framework as a basis for identifying performance enhancing competencies and failed to properly review competence theories thus offering little critique of their validity and applicability to different non-western contexts. In line with the weakness highlighted, this study seeks to progress the discussion of leadership competencies in SMEs to a new level, that which integrates contextual theoretical validation alongside empirical outcomes which are not expected to be a finality to the discussion and analysis, but a new perspective and understanding of how leadership competencies in SMEs operating in developing economies such as Uganda can be supported. The hope is that, with the identification of the much needed leadership competencies, practitioners and policy analysts will be better informed about appropriate means of helping SMEs to enhance their competencies. More so, the conundrum between validity and applicability of westernized competence frameworks/models in localized contexts is effectively settled in this study.

Leadership Practices Inventory (LPI)

For purposes of this study, leadership competencies are conceptualized in terms of Kouzes and Posner's Leadership Practices Inventory® (Self) version which was adapted, modified to fit with the objectives of this study and used to collect data. Owner-managers were asked to complete the Leadership Practices Inventory® (Self) questionnaire to rate the frequency with which they thought they exhibited each of the leadership practices. As stated by Kouzes and Posner, the LPI measures 30 leadership behaviors that leaders engage in when they are performing at their very best and the more frequently leaders exhibit these behaviors; the more one attributes to them the qualities of leadership required for success.

The LPI measures the frequency of 30 specific leadership behaviors on a 5-point scale, with six behavioral statements for each of The Five Practices of Exemplary Leaders by Kouzes & Posner (2003). The five practices of exemplary leadership are modelling the Way, Inspiring Shared Visions, Challenging Processes, Enabling Others to Act, and Encouraging the Heart. Permission to use this survey was obtained in writing from Debbie Notkin, contracts manager of Wiley InterScience. Center for Creative Leadership has baptized this instrument as the "most reliable and valid instrument for leadership development". It has been utilized

with over 250,000 leaders and more than a million of their associates. More than 120 scientific studies have consistently confirmed the reliability and validity of the LPI and the Kouzes-Posner leadership framework on which it is based. By completing the LPI, owner-managers rank what practices of Exemplary Leadership successful owner-managers exhibit the most

Leadership Competence of Challenging the process (CP)

According to Kouzes & Posner (2003), exemplary leaders explore opportunities and are highly experimental and are risk takers. They look for innovative ways to improve the status quo, cognizant of the fact that risk taking involves mistakes and failures, they accept the inevitable disappointments as learning opportunities.

Leadership Competence of Inspiring a shared vision (IS)

Kouzes & Posner (2003) identified envisioning of the future and enlisting of others as two ways leaders can inspire a shared vision based on the strong belief of making a difference. Kouzes & Posner (2003), found out that competent leaders envision the future, they create a mental picture of what their organizations can turn out to be and they enlist others to their dreams through their power of attraction and persuasion. Furthermore, they add flesh into their visions and open up people's eyes and minds to exciting possibilities for the future.

Leadership Competence of Enabling others to act (EO)

According to Kouzes & Posner (2003), Leaders should be able to foster collaboration, strength others and build spirited teams and should actively involve others. They should understand and recognize that mutual respect is what sustains extraordinary efforts; and as such, they should strive to create an atmosphere of trust and human dignity. They should strengthen others and making each person feel capable and powerful.

Leadership Competence of Modeling the way (MW)

Kouzes & Posner (2003), declared that Leaders who model the way exhibit two key behaviors. They clarify their values, set an example and align their actions with their values. They establish principles concerning the way people (constituents, colleagues, and customers alike) are treated and the way goals are pursued. They establish standards of excellence with great examples for others to follow. Because the prospect of complex change can be overwhelming and stifle action, they set moderate goals at the beginning so that people can achieve small wins as they strive towards larger objectives. They unravel bureaucracy when it impedes action; they put up signposts when people are unsure of where to go or how to get there; and they create opportunities for victory.

Leadership Competence of Encouraging the heart (EH)

According to Kouzes & Posner (2003), Leaders encourage the heart by acknowledging the contributions of other parties and by celebrating the display of core values and victories. They very well know that accomplishing extraordinary things is hard work that deserves recognition. To keep alive the hope and determination of their teams, they recognize contributions that stakeholders make. Therefore they celebrate accomplishments and make people feel like heroes.

Table 1. Summary of Leadership Practices and related Behaviors

Practice	Behaviour	Definition of Behaviour
1. Challenge the Process	Search for opportunities	To be a change agent and constantly challenge the status quo.
	Experiment and take risks.	To have an openness to ideas and accept the challenge of change.
2. Inspire a Shared Vision	Envision the future	To create a dream and get others to buy into it with great passion.
	Enlist others	To have all people understand and support the vision
3. Enable Others to Act	Foster collaboration	To create and sustain cooperative goals and recognize efforts of others.
	Strengthen others	To create an environment that values and empowers people.
4. Model the Way	Set the example	To behave in ways that are consistent with stated values
	Plan small wins	To break tasks down into small manageable steps and recognize the accomplishment of each step.
5. Encourage the Heart	Recognize individual contribution	To link rewards with performance
	Celebrate accomplishments	To honor and share the success with those who assisted in the victory.

Source: Cress (1996).

Conceptual Model for Climacteric Leadership Competencies In SMEs

Based on the insights and results from empirical and theoretical perspectives, this study has developed a context specific conceptual model of leadership competencies for SME owner-managers as shown below.

Figure 1: Conceptual Model for climacteric leadership competencies in SMES

Leadership competencies that matter	
Enabling Others To Act (EO)	<ul style="list-style-type: none"> • Actively listens to diverse points of view • Treats others with dignity and respect. • Ensures that people grow in their jobs by learning new skills and developing themselves • Gives people a great deal of freedom and choice in deciding how to do their work. • Develops cooperative relationships among the people he/she works with • Supports the decisions that people make on their own.
Modelling The Way (MW)	<ul style="list-style-type: none"> • Spends time and energy making certain that everybody adheres to the principles and standards that we have agreed upon. • Is clear about his/her philosophy of leadership. • Builds consensus around a common set of values for running our organization • Follows through on the promises and commitments he/she makes.
Encouraging The Heart (EH)	<ul style="list-style-type: none"> • Praises people for a job well done. • Publicly recognizes people who exemplify commitment to shared values. • Makes it a point to let people know about his/her confidence in their abilities • Gives the members of the team lots of appreciation and support for their contributions
Challenging The Process (CP)	<ul style="list-style-type: none"> • Challenges people to try out new and innovative ways to do their work. • Searches outside the formal boundaries of his/her organization for innovative ways to improve what we do.
Inspiring A Shared Vision (IS)	<ul style="list-style-type: none"> • Paints the “big picture” of what we aspire to accomplish • Shows others how their long-term interests can be realized by enlisting in a common vision.

Methodology

This study makes a unique contribution by identifying essential competencies for SMEs with data obtained from 54 owner-managers of SMEs based on a success-biased sample of owner-managed SMEs that have been in operation for 5 years. This paper adopted a quantitative approach for data collection involving the use of questionnaires as well as a qualitative approach which involved interviews with three SME experts to reinforce and validate the quantitative methodology. For purposes of this study, the relevant leadership competencies were measured using Kouzes and Posner's (1998a) Leadership Practices Inventory® (Self) which has been used with over 250,000 leaders and more than 120 scientific studies have consistently confirmed the reliability and validity of the LPI and the Kouzes-Posner leadership framework on which it is based.

The respondents were given questionnaires designed to measure how frequently they practiced exemplary leadership behaviors as stipulated in the self-version of the Leadership Practices Inventory® anchored on a five-point Likert scale. In total, 65 questionnaires were administered purposively to owner-managers whose businesses are thriving. Out of the 65 questionnaires administered, responses from 54 owner-managers were received representing a response rate of 83%. The sample was chosen based on the fact that they are better qualified to give more plausible responses due to their exposure and experience. And also because they are the key players involved in day-to-day work of SMEs who are in great position to give accurate views.

Data generated from the survey was further analysed using SPSS version 20 from which the climacteric competencies were identified based on rankings derived from the measures of central tendency. The competence ratings assigned by respondents were totalled and the means and standard deviations were calculated and higher mean scores meant the items were viewed as important to an owner-manager. There were a total of 30 competencies rated and only competencies that had mean ratings above 3.5 (70% Score) were considered to be significant to owner-manager success. In sum, the aim of the analysis was to establish the most essential competencies that can guarantee growth and prosperity of Ugandan SMEs.

Table 2: Summary of Leadership Competencies

Leadership Behavior	Leadership Practices	Mean	Std. Deviation	Rank
1. Actively listens to diverse points of view.	Enabling others to Act	3.85	1.089	1
2. Treats others with dignity and respect.		3.81	1.26	
3. Ensures that people grow in their jobs by learning new skills and developing themselves		3.61	1.28	
4. Gives people a great deal of freedom and choice in deciding how to do their work		3.59	1.267	
5. Develops cooperative relationships among the people he/she works with		3.56	1.525	
6. Supports the decisions that people make on their own.		3.52	1.424	
1. Spends time and energy making certain that everybody adheres to the principles and standards that we have agreed upon	Modelling the way	3.87	1.01	2
2. Is clear about his/her philosophy of leadership.		3.83	1.178	
3. Builds consensus around a common set of values for running our organization		3.78	1.16	
4. Follows through on the promises and commitments he/she makes.		3.72	1.25	
5. Sets a personal example of what he/she expects of others.		3.41	1.473	
6. Asks for feedback on how his/her actions affect other people's performance.		3.31	1.438	

1. Praises people for a job well done	Encouraging the heart	3.91	1.278	3
2. Publicly recognizes people who exemplify commitment to shared values.		3.78	1.003	
3. Makes it a point to let people know about his/her confidence in their abilities		3.65	1.276	
4. Gives the members of the team lots of appreciation and support for their contributions		3.59	1.19	
5. Makes sure that people are creatively rewarded for their contributions to the success of projects.		3.33	1.387	
6. Finds ways to celebrate accomplishments.		3.28	1.406	
1. Challenges people to try out new and innovative ways to do their work	Challenging the Process	3.74	1.262	4
2. Searches outside the formal boundaries of his/her organization for innovative ways to improve what we do		3.74	1.334	
3. Experiments and takes risks, even when there is a chance of failure.		3.46	1.239	
4. Asks "What can we learn?" when things don't go as expected.		3.41	1.367	
5. Seeks out challenging opportunities that test his/her own skills and abilities.		3.37	1.322	
6. Makes certain that we set achievable goals, make concrete plans, and establish measurable milestones for the projects.		3.28	1.352	
1. Paints the "big picture" of what we aspire to accomplish	Inspiring a shared vision	3.61	1.156	5
2. Shows others how their long-term interests can be realized by enlisting in a common vision.		3.52	1.177	
3. Appeals to others to share an exciting dream of the future.		3.48	1.209	
4. Describes a compelling image of what our future could be like.		3.41	1.141	
5. Speaks with genuine conviction about the higher meaning and purpose of our work.		3.3	1.525	
6. Talks about trends that will influence how our work gets done		3.11	1.436	

Source: Primary Data

Table 3: Summary of Leadership Competencies

Competence	Minimum	Maximum	Mean	Std. Deviation
Enabling Others to Act (EO)	1.83	5.00	3.6574	.83202
Modelling the Way (MW)	2.17	5.00	3.6543	.83982
Encouraging the Heart (EH)	1.50	5.00	3.5895	.90579
Challenging the Process (CP)	2.00	5.00	3.5000	.89840
Inspiring a Shared Vision (IS)	2.00	5.00	3.4043	.86123

Source: Primary Data

Results

As shown in Table 3 above, owner-managers cited enabling others to act (EO) as the most important leadership competence for SME owner-managers followed by modelling the way (MW), encouraging the heart (EH), challenging the process (CP) and lastly inspiring a shared vision (IS).

Under the leadership competence of enabling others to act, actively listening to diverse points of view, treating others with dignity and respect and ensuring that people grow in their jobs by learning new skills and developing themselves, giving people a great deal of freedom and choice in deciding how to do their work, develops cooperative relationships and supporting the decisions that people make on their own were cited by owner-managers as important leadership behaviours and practice for success.

On the leadership competence of modelling the way, respondents cited spending time and energy to make certain that everybody adheres to the agreed upon principles and standards, ensuring clarity of philosophy of leadership, building consensus around a common set of values for running organizations and following through on the promises and commitments as core practices for success.

On the competence of encouraging the heart, praising people for a job well done, publicly recognizing those who exemplify commitment to shared values, letting people know about owner-managers confidence in their abilities and giving teams lots of appreciation and support for their contributions were found to be essential for successful performance

On the competence of challenging the process, SME owner-managers cited leadership behaviours of challenging people to try out new and innovative ways to do their work and searching outside the formal boundaries for innovative ways to improve performance as been climacteric for SME survival and success.

Lastly on the competence of inspiring a shared vision, painting a big picture” of aspirations and showing others how their long-term interests can be realized by enlisting in a common vision came out quite clearly as the required leadership competencies for SME survival and success.

Furthermore, the above quantitative findings were corroborated and validated by qualitative data from the key informants’ interviews comprising of three SME leadership experts who provided insights from a SME leadership competence perspectives. When asked what leadership competencies they considered to be the most important for SME owner-managers success, the opinions gathered from the key informant interviews did indicate a general agreement that modelling the way, encouraging the heart and challenging the Process were the most climacteric competencies for SME growth and survival. Therefore the qualitative investigation of competencies that matter also proved that these three competencies are the ones that matter most to SME owner-managers.

In conclusion, the study findings validate those of Tucker (1984) who considered effective leadership as the ability to influence or motivate an individual or a group of individuals to work willingly toward a given goal or objective under a specific set of circumstances. More so, the findings rhyme well with those of President Dwight D. Eisenhower who considered effective leadership to be the art of getting someone else to do something that you want done because he wants to do it (Ziglar, 1986). Further still, the findings validate views of Chris Lee (1991) who opined that an effective leader provides a vision, inspires others to commit to that vision, and creates strategies that move them toward the vision. Lastly, the findings are in conformity with those of Kouzes & Posner (2003), who argued that the key to outstanding leadership lies in consistently demonstrating a set of behaviours and skills that set an example for others to follow and leading by example to earn trust which in turn sends a strong signal that the leader is not just simply asking others to do things they wouldn’t otherwise do themselves.

Discussion and Implications

This research study makes two major contributions to the field of leadership competencies. Firstly, it validated Leadership Practices Inventory® (Self) version and leadership competence frameworks identified by previous research as relevant for success. From the findings, enabling others to act (EO), modelling the way (MW), encouraging the heart (EH) and challenging the Process (CP) were most frequently cited by owner-managers as important for SME success. This implies that these four listed competencies are the

most significant to SME success and as such, effort should be expended towards imparting them in Ugandan SME owner-managers. This therefore effectively closes the debate over what competencies are most essential for owner-manager success. Much as the results did indicate that the competence of inspiring a shared vision was considered to be of lesser relevance to SME owner-managers, its relevance is implied because of the fact that Vision is what drives entrepreneurial endeavor in the first place.

Summarily, the findings suggest that more emphasis should be placed on the acquisition of those competencies that were more frequently cited as important for. Finally, the findings provide valuable information for business advisors, educators and policy makers which they can utilise to direct development plans, reorient their practices and policies to enhance business success. The information provided can also help them design impactful programs that could foster SME success.

Limitations and Recommendations for further research

Although the study provides some interesting findings and makes an important contribution in leadership and HR literature, there are some limitations worth noting. The study was cross – sectional in nature implying that results obtained may be subjected to the inherent weaknesses of cross – sectional studies, future research could consider a longitudinal design. Data was collected from SME owner-managers and as such the possibility of Single Source Bias (SSB) could not be ruled out. Similar studies needs to be replicated with employees as respondents to gauge a complete picture. Standard questionnaires were used as instruments to collect data which perhaps limited the ability to collect qualitative views about information outside the standardized question.

This research used a small sample size centered on owner-managers in SMEs. Future researcher should employ a bigger sample involving employees and other stakeholders like the customers, local authorities, academics among others. The research was also carried out amongst successful and functional SMEs basing on the years in operation. Future research should where possible be carried out among failed SMEs based on similar parameters. Finally, it will be useful for further studies to compare the results of this study in different sectors and regions such as Africa, to gauge if at all there are any similarities or dissimilarities in the findings.

The highlighted limitations should not take away the fact that the research method that was adopted for this study ensured that quality was not compromised and that very strong and relevant evidence was gathered which satisfied the purpose and objective of the study. In view of the evidence that there is homogeneity in the SME sector and the challenges faced by SMEs are similar across geographical boundaries (Tara & Rowena, 2016, Watkins 1983), the findings from the study could still be used to draw generalizations.

Conclusion

Having identified the essential leadership competencies for SME owner-managers, this study signals a need to modify and adapt the Leadership Competency model of Kouzes & Posner to fit contextual dimensions such as the one faced by Ugandan SMEs. The competency model and implications derived from the findings of this study should be valuable to the Ugandan SMEs or others parties who wish to see Ugandan SME owner-managers well equipped with strong leadership competencies. The study also recommends that the leadership competencies identified above are incorporated into the training and development plans of SMEs and training needs analysis for SMEs should factor in these essential leadership competencies.

Another recommendation is that SMEs should build a winning culture of conducting trainings on essential leadership competencies not only for their owner-managers but for their employees. This could go a long way in ensuring sustainable performance of the SMEs. Furthermore, it is recommended that leadership competencies be clearly stated and included as standardized job descriptions for owner-managers and their employees especially at supervisory levels based on the evidence that well-defined competencies for a position pushes job incumbents to be more effective on the job (Tas et al., 1996).

For Universities and business schools in Uganda, the study brings to their attention the need to for a competency-based training curriculum targeting SMEs. Policy makers are also informed of what competencies they ought to consider during competency enhancement policy design. Based on the listed competencies, human resource developers should equally find it easy to develop competence ratings for SME owner-managers, which could be used as inputs for owner-manager performance reviews. For the incumbent SME owner-managers, the identification of essential leadership competencies is very important because it helps them to plan their personal growth and development.

In conclusion, by identifying the most essential leadership competencies for Ugandan SME owner-managers to succeed, this study accounts for contextual diversity in line with the argument put forward by (Mulder, 2014; Mulder & Winterton, 2016) that there is not one approach only to competence development. Practitioners, leadership advisors, policy makers and training providers should therefore discern and give focused attention towards helping SME owner-managers acquire the core leadership competencies associated with enterprise success and survival.

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