

Supply Chain Management Practices and Performance of Small and Medium Sized Enterprises in Uganda, A Case of Manufacturing Enterprises in Lira City

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Background: The study was conducted to examine the effect of supply chain management on the performance of SMMEs in Lira City. Specifically, the study explored the effect of delivery time on SMMEs performance, determined the effect of quality management on the performance of SMMEs in Lira City and examined the effect of information sharing on the performance of SMMEs in Lira City.

Methods: The study used the cross-sectional design to collect and analyze both quantitative and qualitative data from owners and managers of SMMEs in Lira City; the sample size of the study population was 113 and was sampled using simple random sampling and purposive sampling techniques. Questionnaires and interview methods were used to collect data while mean and standard deviation were used to measure the performance of the construct in Lira City.

Findings: Correlation coefficient was used to test the strength and the direction of the relationship between supply chain management practices and performance of SMMEs and the results revealed that supply chain management practices are positively correlated to SMMEs performance. Also, the findings of the study revealed a positive significant effect of delivery time on the performance of small and medium sized manufacturing enterprises in Lira City (coef. 0.408, $p < 0.01$). Secondly, the results on the effect of quality management on the performance of small and medium sized manufacturing enterprises in Lira City further revealed a positive significant effect (coef. 0.631, $p < 0.01$). Thirdly, the effect of the information sharing on the performance of small and medium-sized enterprises in Lira City was found to be positive and insignificant effect (coef. 0.137, $p > 0.01$). Finally, the results of multiple linear regressions yielded an adjusted R square value of 0.362, which meant that supply chain management practices contribute about 36.2% to the performance of small and medium sized manufacturing enterprises in Lira City.

Recommendations: Based on the above findings, the study recommends that owners and managers of SMMEs should put more emphasis on quality management and the timely delivery of inventory to improve on the performance of their firms.