

Family Business Management and Business Performance in Lira City-Northern Uganda

Ogweng Lawrence

Dr. Mary Ejang (PhD)

Mr. Acanga Alfred

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Background: This study examined the relationship between family business management and the performance of family businesses in Lira City. The study objectives were; to analyze the influence of goal setting and visioning on family business performance in Lira City, to assess the influence of governance structure on family business performance in Lira City, to analyze the influence of professional management on family business performance in Lira City and to examine the role of management control systems in business performance in Lira City. There was evidence from literature that family businesses in Uganda and therefore Lira City are characterized by low profits, low share in the market and low productivity, leading to high rate of failure at over 26% annually.

Methods: A cross sectional design based on a mixed method was used. The study used stratified and simple random sampling to sample 123 out of 135 family businesses and the response rate was 96 percent. Data was collected using questionnaires and interview guide. Statistical package for social sciences (SPSS) version 23 was used for data analysis. Descriptive statistics, correlation and linear regression models were used to assess the role of family business management on performance.

Findings: The regression results indicated that: goal setting and visioning and management control systems had a positive and significant influence on performance of family business, governance structure had a significant negative influence on family business performance and professional management did not have a significant influence on family business performance.

Conclusion: The study concluded that there is a significant relationship between family business management and business performance in Lira city.

Recommendations: the study recommends that; policy makers should provide for capacity building of family business managers on management control systems as an aspect of family business internal characteristic that improves performance, policy makers should come out with guiding principles and strategies to ensure that all family businesses have well documented goals and visions, business owners should refine the clan and social structures that have been identified by this finding as widely used by family businesses instead of formal governance structure.