

**STRATEGIC DRIVERS AND PERFORMANCE OF SMALL AND MEDIUM  
ENTERPRISES IN JUBA, SOUTH SUDAN**

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KENYATTA UNIVERSITY**

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## DECLARATION

This research endeavour is my own undertaking and was not handed in for any degree at any other institution.

Signature.....


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This research work has been forwarded with my endorsement as the University Supervisor.

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## **DEDICATION**

I dedicate this research project to my loved ones for their immense assistance throughout my academic journey.

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## OPERATIONAL DEFINITION OF TERMS

<b>Financial Resources</b>	The resources from which firms acquire the necessary finances to finance their investments, funding, and operational activities.
<b>Human Capital</b>	The collective knowledge, abilities, habits, personality traits, and interpersonal characteristics that workers in an entity exhibit, enabling them to fulfill their responsibilities and provide economic value for the firm.
<b>Information Technology</b>	The capacity of a corporation to seamlessly incorporate information-sharing appliances amongst departments, personnel, and consumers with minimal obstacles, utilizing cutting-edge technology.
<b>Organizational Performance</b>	This is the business's capacity to fund its operations and generate revenues from its investments. This is demonstrated by the firm's growth and expansion, heightened sales, a larger customer base, and reduced personnel turnover.
<b>Product Innovation</b>	The process of developing a novel item or enhancing an old one to fulfill client requirements innovatively.
<b>Strategic Drivers</b>	The elements that underpin the decisions and methods of organizational management aimed at improving corporate performance.

## LIST OF ABBREVIATIONS

<b>ADB</b>	African Development Bank
<b>BSC</b>	Balanced Scorecard
<b>DOI</b>	Diffusion of Innovation Theory
<b>GDP</b>	Gross Domestic Product
<b>HCM</b>	Human Capital Management
<b>NACOSTI</b>	National Commission for Science, Technology and Innovation
<b>RBV</b>	Resource-Based View
<b>SMEs</b>	Small and Medium-Sized Enterprises
<b>SPSS</b>	Statistical Package for the Social Sciences
<b>TRA</b>	Theory of Reasoned Action

## ABSTRACT

The development of Small Medium Enterprises is regarded as a mechanism for economic resilience in times of national crises. SMEs are progressively gaining importance in impoverished and developing nations. SMEs serve as the fundamental support of the economy in Juba, South Sudan. They are a vital source of new employment opportunities, significantly contribute to income generation, alleviate poverty by enhancing job prospects in rural regions, and are acknowledged as a driving force behind economic growth and development. The discourse surrounding the impact of strategic drivers on the performance of SMEs continues to evolve. Subsequently, the research key objective was to ascertain the extent to which these strategic drivers influence the performance of SMEs in Juba, South Sudan. The specific objectives were, to ascertain the impact of product innovation, to evaluate the influence of information technology, to assess the influence of human capital and to assess the influence of financial resources on the performance of SMEs in Juba, South Sudan. The research utilized a descriptive design methodology. Diffusion of innovation, technology acceptance, human capital, and the resource-based view offered profound insights into the dynamics of technological adoption and organizational strategy. The approach employed was descriptive research. The study focused on a target group of 15,000 SMEs. The primary data was gathered via questionnaires. The integrity and consistency of the data collection instrument was assured. Descriptive statistics was utilized with the assistance of the SPSS. Inferential statistics was employed to elucidate the connection between variables. The qualitative data collected through the open-ended questions was subjected to content analysis for thorough examination. The study found that product innovation, information technology, human capital and financial resources influence the performance of SMEs in Juba, South Sudan. The study concluded that strategic drivers had a favorable and statistically considerable effect on the performance of SMEs in Juba, South Sudan. Strategic drivers significantly influenced the performance of SMEs in Juba, South Sudan. The study concluded that a unit increase in strategic drivers will lead to an increase in performance of SMEs in Juba, South Sudan. The study recommends that Firms should embrace change to improve product design, market share, and capacity. They should use cutting-edge tools and methods to boost corporate efficiency. Businesses should frequently adjust their advertising strategy to increase profitability and improve external interactions to increase market share. Business operations should use management information systems. This improves service delivery efficiency and lowers costs. Management information systems can also speed up service delivery. To reduce turnover, firms should pay well. They should staff enough for the workload. Employees should be knowledgeable and have good communication abilities. Organizational staff should be problem-solvers and decision-makers. Firms should have enough external money for annual operations and share sales. Firms should always have funds for various activities. Firms need enough money to buy physical assets and pay employees.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

The prosperity of a country's economy is heavily dependent on the success of its Small and Medium-Sized Enterprises (SMEs). According to Takoy and Machuki (2018), a key challenge for practically all organizations' management today is the ability of the company to achieve and maintain high productivity and performance. Strategic management efforts, which are widely recognized as vital for competitiveness and increased performance, increase efficiency in the organization's production and delivery of goods and services.

Small and medium enterprises are vital for the economic development and social welfare of any country. SMEs contribute to employment generation, income distribution, poverty reduction, innovation, and competitiveness (Gure & Karugu, 2018). However, SMEs suffer several obstacles that hinder their growth and success, such as a lack of access to capital, markets, technology, skills, and infrastructure (Akoy, 2019).

According to Muiga and Namusonge (2020), strategic drivers are significant contributors in shaping a firm's overall strategic direction they are also crucial in helping the organization achieve optimum performance. Strategic drivers are recognized for their capacity to improve the organizational performance of worldwide (Afeche *et al.*, 2022). Heaton, Teece, and Agronin (2023) propose that a significant number of emerging SMEs in Sub-Saharan Africa regard strategic drivers as primary factors influencing their future, contingent upon current and prospective activities. These enterprises leverage the existing facilitators of effective strategic management to enhance their ability to operate proficiently and improve their prospects for expanding their business into other nations in Africa and globally.

The notion of management innovation within SMEs has been examined on an international level. Salim & Sulaiman (2011) demonstrated that Malaysian SMEs have dedicated resources to adopt technological and market innovations, which are essential determinants of firm performance. In the context of Indian SMEs, Nurulhasanah, *et al* (2015) posited that these enterprises have embraced technological innovation to

enhance their competitiveness over rivals, thereby striving for superior performance compared to their rivals.

In USA, small businesses account for as much as 60% of the GDP, generate approximately 70% of employment opportunities, and serve as a catalyst for the advancement of entrepreneurship and innovation (Hryhorash et al., 2018). Nonetheless, a significant proportion, ranging from 50% to 90%, of small enterprises encounter failure as a result of the impacts stemming from their micro and macroeconomic contexts (Martinez et al., 2019).

In African countries, the prevalence of business failure can be attributed to an environment characterized by turmoil, which significantly hinders the prosperity of small start-up enterprises (Boso et al., 2019). The spectrum of business failure encompassed scenarios from bankruptcy to the cessation of ownership. Bankruptcy reflects inadequate economic performance, while discontinuance signifies a halt in operations and the recognition of losses (Sheng & Lan, 2019). While certain small business proprietors persist in their operations amid financial challenges, the inevitable outcome is a complete financial loss accompanied by legal repercussions, due to the more significant detrimental impact on resource allocation and utilization (Sheng & Lan, 2019).

In Zimbabwe, SMEs have demonstrated remarkable ingenuity in their efforts to bolster their competitive advantage, and during this transformative phase, their sustainable growth has also seen a notable increase. In that regard, robust innovation was instituted to enhance performance favorably. Organizational and product innovation hold significant importance (Makanyeza & Dzvuke, 2015).

In South Sudan, the SMEs sector is in its nascent stages, gradually recovering from the detrimental impacts of prolonged civil conflict that devastated the nation's physical facilities, socio-economic frameworks, socio-cultural dynamics, and financial systems, while also relocating and depriving a significant portion of the populace. In South Sudan, a variety of SMEs institutions have emerged following the restoration of relative peace and stability post-2005, subsequent to the signing of the extensive peace agreement. Service providers encompass a variety of entities, including firms limited by shares, businesses restricted by guarantees, and non-profit organizations (Lim & Teoh, 2021).

### **1.1.1 Performance of Small and Micro Enterprises**

The possibility of success of an entrepreneurial firm hinges on its success, which primarily involves its capacity to execute strategies in a timely manner that align with the firm's objectives (Randeree & Al Youha, 2019). Organizational performance may be examined as the actual output evaluated in relation to the intended outputs (Tomal & Jones, 2019). Performance can be understood as the extent to which an organization, functioning as a complex social entity equipped with a collection of tangible assets, intangible assets, and competencies, is capable of realizing its immediate and future goals.

Performance encompasses the level of output, efficiency, turnover, and revenue, as well as the scale advancement of an enterprise throughout a specified timeframe. Profitability can be categorized into two distinct types: tactical and adaptive. Tactical performance encompasses the degree to which your organization adheres to its strategy, serving as the cornerstone of focus and consistency. Adaptive performance encompasses the realms of creativity, problem-solving, resilience, and innovation, as well as the manner in which an organization adjusts to a continuously evolving operational landscape (Ethan, 2018). The evaluation of business performance has been approached through various lenses, including the achievement of objectives, the utilization of resources, the standing of the organization, and the application of multi-faceted measurement methodologies (Abdel-Kader & Wadongo, 2011).

SMEs are recognized as essential contributors to the economic and social advancement of numerous countries. They are essential component of the technological dynamics within contemporary economies due to their adaptability and proximity to consumers (Musa & Danjuma, 2017). Although SMEs serve as pivotal contributors to economic development, they find themselves in a precarious position. Their susceptibility arises primarily from their restricted access to fundamental production resources, with financial constraints being particularly pronounced. Nonetheless, various other significant impediments hinder the effective functioning of SMEs. These challenges encompass limited access to suitable technology, as well as difficulties in procuring machinery, spare parts, and unrefined materials (Musa and Danjuma, 2017).

The performance of SMEs has been assessed in various countries through the utilization of the business profitability index (Chirwa, 2018). In a similar vein, Hanushek and

Woessmann (2018) argue that while entrepreneurs frequently excel at initiating a business, they often struggle with its operation and management, which consequently impacts the overall success of SMEs. The evaluation of SME performance in this research will be conducted through objective metrics, including return on investment, market share, profitability, and sales growth.

### **1.1.2 Strategic Drivers**

Demir, *et al* (2017) describes a strategic driver as the designated endpoint of aims or goals, along with the fundamental policies or plans devised to achieve these objectives. This is articulated in a manner that delineates the nature of the business the organization currently engages in or aspires to engage in, as well as the type of organization it is or aims to become. In today's business landscape, it is imperative for a firm to prioritize the needs of its customers rather than solely concentrating on production. As articulated by Ashrafi, *et al* (2020), a strategy facilitates the assembly of production practices derived from standardized components, tailored to the distinct requirements of each customer.

As noted by Carreras-Simó (2020), strategic drivers encompass the methodologies that a firm's management employs within its corresponding market domain to effectively address customer requirements and attain outstanding business performance. Furthermore, it includes assertive strategies and commercial methodologies that management employs in operating the organization. The strategy encompasses the various approaches and tactics that an organization employs to attract customers, endure competitive pressures, and enhance its market position.

Kerubo *et al.* (2020) propose that strategic drivers play a crucial role in enhancing organizational performance by bolstering the effectiveness of management in delivering a more concentrated approach to strategies. The drivers facilitate the establishment of a strategic direction for firms, assisting organizations in defining their overarching goals by examining the external environment, recognizing opportunities and threats, and allowing for the alignment of resources, aptitudes, and culture in pursuit of the recognized strategic objectives. This arrangement guarantees that all individuals within the organization are striving to a shared goal (Muriithi *et al*, 2022).

Mutendera *et al* (2019) explored strategic drivers concerning resource allocation, assisting management in discerning how to distribute resources—financial, human, and

technological spanning diverse business units or activities, directed by their strategic significance and conceivable returns. The drivers serve to elucidate the performance indicators, thereby allowing organizations to assess the efficacy of their strategic initiatives.

The indicators for strategic drivers in this research will be obtained from the four interrelated viewpoints of a firm's strategy as described by Kaplan and Norton (1992) (Benková et al., 2020). In the BSC model, it is posited that strategic drivers should focus on four essential dimensions: the economic perspective, the client perspective, the internal processes viewpoint (technology), and the employees' perspective (HR/skills) (Faraji, *et al* 2022). The aforementioned aspects significantly influence the level to which an organization's strategy is executed in order to achieve the desired outcomes. The variables of this research will be derived from this model, wherein financial resources, human capital, product innovation, and IT will serve as the principal strategic drivers.

Innovation serves a pivotal achievement in both social and economic realms, characterized by the exploration of novel methodologies or the inventive amalgamation of established practices to convert inputs into outputs. This process engenders significant transformations, fundamentally altering the dynamics between the perceived value of benefits for clients and users, and the corresponding monetary price (Fontana, 2017). Hassan, *et al.* (2017) asserts that product innovation constitutes a fundamental element of organizational success and serves as a crucial strategy for enhancing market share and overall business performance.

Information technology encompasses the utilization of systems, principally computers and telecommunications, for the purposes of storing, retrieving, and transmitting information. An analysis conducted by Chege and Wang (2020) indicates that advancements in technology positively influence job creation within small businesses and act as a driving force for economic growth. The competitiveness of small enterprises and their capacity to engage with global markets are profoundly influenced by their adept utilization of information technology. Consequently, it is recommended that the government develop technology-oriented innovative strategies for small enterprises to enhance their operational performance and foster job creation.

Stokey (2017) articulates that human capital encompasses individuals endowed with the abilities, experiences, and familiarity necessary to generate the economic value of an organization. Rodrigues, *et al* (2018) define human capital as the expertise, proficiency, and experience possessed by employees within an organization. The orientation towards human capital involves the strategic endeavor of shaping and improving employee performance, dedication, and retention to foster organizational advancement.

Financial resources represent the capital essential for sustaining a business's operations, and there exist various methods through which a business can acquire and allocate these resources. Financial resources constitute a vital component of organizational assets. Financial resources are indispensable for the success of any organization (Dess, Lumpkin & Eisner, 2018). Consequently, it is essential for establishments, firms, institutions, and businesses to prioritize financial management to improve their success and, importantly, to reduce their exposure to financial risks (Sarker, 2018).

### **1.1.3 Small and Medium-Sized Enterprises in Juba, South Sudan**

A 2017 survey by the African Development Bank (ADB) revealed that the business registry in Juba documented a consistent rise in the quantity of formal enterprises, rising from 471 in 2010 to 8,894 by 2016 (ADB report, 2017). At present, the registry maintained by the registrar of companies and societies has documented more than 27,000 enterprises, with approximately 10,000 of this holding membership in the South Sudan Chamber of Commerce, Trade and Industry as SMEs. This indicates that a significant majority, exceeding 90 percent, of all formal enterprises within the nation are classified as SMEs (South Sudan chamber of commerce, 2018).

The prevalence of these SMEs is evident across various sectors of the economy, encompassing retail and wholesale trade, manufacture, hospitality, and transportation and communication industries.

Akoch (2021) lists numerous ways SMEs support global poverty alleviation, economic development, and growth. For instance, Logwuru and Gitonga (2019) aver that 99.9% of American enterprises were categorized as small in 2018. According to Ong'ondi (2017), SMEs are essential to the expansion and stability of any economy. Globally, small enterprises have grown in number and size during the past few decades. SMEs,

are essential to many economies because they help reduce poverty, generate income for governments, and employ a sizable number of people. SMEs are crucial in global development. Reducing poverty requires achieving the United Nations' first, eighth, and ninth goals. SMEs have a major role in the GDP and employment of Africa and East Africa. SMEs dominate the business landscape in Rwanda (Emmanuel *et al.*, 2023).

SMEs are vital in many countries, especially emerging ones, because of their obligations. They are essential to economic expansion, job development, and power dynamics. SMEs are currently the top priority for most governments worldwide. The second most often cited obstacle to SME expansion, especially in emerging and developing country markets, is the lack of access to capital. Challenges may arise from inadequate managerial training, inadequate finance, restricted capital access, rapid technological advancement, changing laws and regulations, and a lack of requisite knowledge and experience. Deng (2019) stated at a prior SME Financing Africa Forum that 46% of Sudanese small and medium-sized firms (SMEs) fail after just one year in business. According to Garang (2015), 15% more people failed the next year because they required assistance to resolve important market issues.

According to the 2020 Business in South Sudan report, among other things, Juba has made it easier to start a business by opening up the requirements for business permits online, cutting fees, expanding credit availability, and streamlining the tax payment process by implementing an online system for filing and paying social security contributions. Suppose South Sudan's SMEs are to boost their GDP contributions and become desirable employers for most graduates. In that case, they must constantly and creatively address the challenges that local businesses face (Ong'ondi, 2017).

## **1.2 Statement of the Problem**

Lack of access to markets, finance, and skilled labor are the main causes of the performance problems facing SMEs in Juba. These and other variables affect how SMEs function in Juba (Emmanuel *et al.*, 2023). Further there has been unacceptably high rate of failure of SMEs in in Juba South Sudan. Eltahir (2018) stated that over 60% of SMEs have had failures in their operations. Abdalkrim (2016) noted that the elevated failure rate can be attributed to the persistent demands placed on SME owners regarding the monitoring and evaluation of effective strategies, the intricacies of organizational structures, and the constraints posed by scarce resources. SMEs in South Sudan

encounter numerous challenges, such as inadequate infrastructure, limited access to finance, and ineffective governance (Basnett, 2018).

Numerous studies on SMEs have been undertaken domestically and internationally in the United States. A research on the link between microfinance services and SMEs' financial success in the Rumbek region was carried out by several researchers (Emmanuel *et al.*, 2023). A significant correlation between MFI loans and SME performance was found. Strategic management approaches are a useful competitive instrument for increasing the productivity of SMEs in South Sudan, as found by Lobong (2020). The academic investigation concluded that their strategies greatly increased companies' operational efficiency. E-commerce has a limited function in marketing, according to research by Deng (2019) on the factors impacting the adoption of electronic commerce by SMEs. There is a significant chance that SMEs will use e-commerce to promote their products and themselves in the future.

From the above studies it's clear that there is a gap of information on the link between strategic drivers and success of SMEs and hence the need to conduct the current study in Juba, South Sudan.

### **1.3 General Objective**

The study's general objective was to analyze the influence of strategic drivers on performance of SMEs in Juba, South Sudan.

#### **1.3.1 Specific Objectives**

The specific objectives of the study were;

- i. To determine the influence of product innovation on the performance of SMEs in Juba, South Sudan
- ii. To evaluate the influence of information technology on the performance of SMEs in Juba, South Sudan
- iii. To examine the influence of human capital on the performance of SMEs in Juba, South Sudan
- iv. To assess the influence of financial resources on the performance of SMEs in Juba, South Sudan

#### **1.4 Research Questions**

- i. Does product innovation influence performance of SMEs in Juba, South Sudan?
- ii. What is the influence of information technology on the performance of SMEs in Juba, South Sudan?
- iii. What is the influence of human capital on the performance of SMEs in Juba, South Sudan?
- iv. Do financial resources influence performance of SMEs in Juba, South Sudan?

#### **1.5 Significance of the Study**

This research may be beneficial to managers of SMEs how strategic drivers can give them a competitive advantage in the marketplace. Along with highlighting the challenges SMEs confront and the strategies employed to overcome them, the research also illustrate the benefits SMEs may provide to the economy.

By standardizing the industry to reduce bureaucracy for SMEs operating in South Sudan, the research helps the government formulate policies for SMEs, such as bolstering the credit system, which leads to easier access to capital, and establishing regulations to govern business practices.

This research may enhance the current body of knowledge regarding SMEs and their strategic motivators. This may consequently enhance the availability of reference materials for future academics and researchers, enabling them to utilize the findings to bolster their studies while simultaneously identifying gaps that warrant further exploration in their work.

#### **1.6 Scope of the Study**

The objective was to analyze the influence of strategic drivers on performance of SMEs in Juba, South Sudan. The specific study area was Juba in South Sudan, where the majority of the population is engaged in SMEs. The target audience for the research was 15,000 SMEs owners. The study was conducted between January and March 2025.

#### **1.7 Limitations of the study**

This research focused exclusively on the registered and functioning SMEs located in Juba, the capital of South Sudan. A number of SMEs remain unregistered with the

Chamber of Commerce, which posed a significant challenge in accurately assessing the total count of SMEs functioning in Juba. There was also an issue regarding the inadequacy of secondary data pertinent to this particular field of inquiry.

The research was hindered by the participant's hesitance to disclose essential information, as they were apprehensive about sharing data that could potentially be leveraged by their rivals. Participants were guaranteed confidentiality and safety of the data gathered to mitigate this drawback. Consequently, the researcher assured participants of the privacy and confidentiality of the data collected, in addition to providing them with a consent document from them.

The researcher encountered the obstacle of illiteracy among participants, as a significant number of SME owners were illiterate. The researcher assisted in elucidating the concepts as needed to clarify the meaning of the questions, thereby improving reliability.

### **1.8 Organization of the Study**

There were five chapters in the research. The research background and introduction, problem statement, aims, and significance was discussed in the first chapter. It also covered the study's organization and limitations. The literature review was covered in Chapter two, where the empirical review begun with an analysis of the theoretical frameworks, research gaps, and global, regional, and local perspectives. The research methodology, including the research design, demographics, sample size, sampling procedures, data collection strategies, data analysis approaches, and ethical deliberations, were covered in Chapter three. The data analysis and findings presentation was also covered here. Chapter four presented the findings and discussions. Chapter five discussed the summary, conclusions, and recommendations

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter discussed the theoretical and also presented the empirical literature review under the topic of discussion. Based on what has been done from the past and recent studies, this study developed an argument based on different scholars to enhance understanding of what has been discussed and what was offered during this research. The chapter also has a conceptual framework.

#### 2.2 Theoretical Review

A theoretical framework is a systematic way of thinking about a subject. It provides a way of understanding the subject and can help one make sense of the information.

##### 2.2.1 Diffusion of Innovation Theory

Everett M. Rogers (1962) developed the diffusion of innovation model, which elucidates how a concept or product gains traction and disseminates throughout a social system or community gradually. Diffusion refers to the process of sharing and exchanging information amongst members of a social network. The culmination of this diffusion process is the collective embrace of a novel product, concept, or behavior by individuals within a communal framework. This notion posits that ambiguity among potential adopters may arise from the acceptance of novel innovations and methodologies (Berlyne, 1962), subsequently diminishing the ability to forecast behaviors. Rogers (1995) posits that the adoption of diffusion innovation theory stems from the necessity to eliminate disinformation and unpredictability. Organizations contemplating the adoption of this theory ought to pursue additional information to mitigate uncertainty.

Rogers (2003) proposed a process of innovation diffusion, which he characterized as an endeavor aimed at seeking and processing information pertinent to decision-making about innovations. According to Sampson (2015), Rogers (2003) delineates five stages in the innovation decision-making process. The process encompasses the acquisition of knowledge, the art of argumentation, the act of decision-making, the phase of implementation, and the stage of confirmation. Financial institutions must initially

pursue an understanding of the strategies available for expansion, drawing insights from personnel, rivals, experts, and various online platforms. Perla and Tonetti (2014), along with Fwaya, *et al* (2012), assert that knowledge serves as the foundation for discerning the majority of ideas, facilitating their implementation to optimize outcomes for the organization. Persuasion represents the phase in which individuals articulate their affirmative or adverse perspectives regarding the innovative concepts presented by the organizational leadership.

The Diffusion of Innovation Theory (DOI) approach primarily examines how potential adopters evaluate an innovation based on its comparative advantages and disadvantages. Consequently, several factors within the DOI framework contribute to this analysis: inventiveness, complexities, compatibility, and relative edge. Moreover, companies that extensively engage with a specific technology frequently emerge as leading contenders for the early adoption of its subsequent iteration. The diffusion of innovations framework employed in this study is crucial for comprehending the intricate dynamics involved in the adoption and utilization of innovations within small and medium-sized enterprises. There exist discussions centered on the adoption practices undertaken by both organizations and individuals. The two forms of adoption contribute significantly to the exploration of how innovations are diffused and embraced by SMEs. Ultimately, in SMEs, a significant portion of the key decisions is determined by the owner-manager. The choice made by the organization to embrace technology is intricately linked to the individual perceptions and attitudes of the owner-manager regarding that technology. The dissemination of knowledge in small and medium-sized enterprises predominantly occurs through interpersonal and inter-firm networks. This theory substantiated the variable concerning product innovation.

### **2.2.2 Technology Acceptance Theory**

The theory of technology acceptance was initially formulated by Davis in 1989, with the objective of elucidating the factors that influence the implementation and rejection of computer applications by individuals within an organization. As noted by Oye, *et al* (2012), the user's behavior in the realm of IT plays a crucial role in enhancing productivity and achieving superior outcomes related to technology. A multitude of organizations worldwide is preoccupied with the implementation of new technologies within their systems; however, they often overlook the crucial aspect of worker

acceptance and the implications that such technologies may have on their workforce (Suvarna et al, 2012).

Davis, *et al* (1989), as referenced by Park (2009), introduced the Technology Acceptance Model (TAM) to elucidate the determinants influencing individuals' decisions to either embrace or dismiss specific technological advancements, drawing upon their framework known as the TRA. Davis posits that TAM provides a lucid understanding of how specific external variables influence attitudes, behaviors, and beliefs. According to Yaseen (2014), the actual utilization of a technological system is shaped both directly and indirectly by the user's behavioral intents, approaches, perceived usefulness, and perceived ease of use of the system.

TAM has faced considerable scrutiny, notwithstanding its prevalent application, prompting the original proponents to endeavor to redefine it on multiple occasions. Critiques of TAM as a "theory" encompass its dubious heuristic value, restricted illustrative and extrapolative capabilities, trivial nature, and absence of practical utility (Chuttur, 2009). Benbasat *et al* (2007) argue that TAM has redirected researches' focus from other significant research matters and has fostered a false sense of advancement in the buildup of expertise.

TAM primarily centers on the personal 'user' of a computer, emphasizing the notion of 'perceived usefulness'. It extends to incorporate additional factors that elucidate how a user 'perceives' 'usefulness', while neglecting the fundamental social dynamics involved in the development and implementation of information systems. It raises critical questions about the assumption that increased technology invariably leads to better outcomes, as well as the social ramifications of information system utilization. Lunceford contends that the framework centered on perceived usefulness and ease of use fails to account for additional factors, including cost and operational necessities that compel users to embrace the technology (Bagozzi 2007).

In the context of this research, technology emerges as a pivotal element of strategic management, as operations in the contemporary business landscape are optimally executed only through the integration of technological advancements (Thong, Hong & Tam, 2012). In the process of formulating strategies aimed at improving and optimizing management practices, the implementation of specific technological systems often emerges as a focal point that tends to provoke resistance among employees. Their role

as executors of any adopted strategy for competitiveness carries significant weight regarding the acceptance or rejection of such strategies, impacting both the strategic drivers and organizational managers profoundly. According to the TAM model, it is essential for employees to participate in the development and implementation of new technology. This involvement should begin with an evaluation of both external and internal factors related to the technology, including its perceived ease of use, perceived usefulness, employee attitudes towards the technology, behavioral intentions to utilize it, and ultimately, the actual usage (Venkatesh et al, 2000; Davis, 1989; Surry, et al, 2015). According to the review, this theory is crucial for examining the impact of technological capabilities on the success of SMEs in Sudan, thereby reinforcing the role of IT in this context.

### **2.2.3 Human Capital Theory**

This theory was initially introduced by Schultz in 1961 and subsequently elaborated upon by Becker in 1964. In an article titled “Investment in Human Capital,” Schultz (1961) presents his theory regarding Human Capital. Schultz posits that knowledge and skill constitute a form of capital, which emerges from intentional efforts toward enterprise development. The theory of human capital suggests a commitment to enhancing individuals through educational and training opportunities. Schultz draws a parallel between the attainment of acquaintance and skills and the acquisition of productive resources. The disparity in income among individuals is intrinsically linked to the variations in their access to education and healthcare resources. Schultz posits that allocating resources towards education and training enhances human productivity, subsequently resulting in a favorable rate of return and, consequently, the growth of enterprises.

This theory highlights the significance of the contributions individuals make to an organization. It considers individuals as valuable resources and emphasizes that organizational investments in human capital will yield significant returns. The concept is linked to the resource-based perspective of strategy articulated by Barney. In 1991, the theory posits that a viable advantageous position is accomplished when a firm possesses a human resource pool that is inimitable and irreplaceable by its competitors. For employers, investing in training and developing individuals serves as a strategic approach to attract and retain talent. The anticipated outcomes include enhancements

in success, productivity, flexibility, and the ability to innovate, which should arise from an expanded skills base and elevated levels of familiarity and aptitude. Schuler (2000) posits that the overarching theme in persuasive abilities, knowledge, and competencies serves as crucial determinants of the success of organizations and firms. Hessels and Terjesen (2008) define entrepreneurial human capital as the amalgamation of an individual's knowledge, skills, and experiences pertinent to engaging in entrepreneurial endeavors. The significance of human capital in fostering entrepreneurial development cannot be overstated.

Prior empirical studies have highlighted that human capital serves as a crucial element in elucidating enterprise growth. Brüderl *et al.* (1992) posits that an increase in entrepreneurial human capital significantly enhances the founder's output, leading to elevated profits and consequently a diminished likelihood of early exit. Furthermore, well-educated entrepreneurs can utilize their expertise and the networks established through their educational experiences to obtain the necessary resources for launching their ventures (Shane, 2003). Beyond formal education, certain attributes of human capital possessed by entrepreneurs, particularly those skills that can be directly utilized within the firm, may hold particular significance in elucidating the factors contributing to enterprise growth (Colombo & Grilli, 2005). The acquisition of specialized human capital is achievable through targeted training and relevant prior experience. Targeted business training can equip entrepreneurs with specialized knowledge, in contrast to traditional education. This particular form of specialized human capital encompasses an understanding of firm management, specifically referring to entrepreneur-specific human capital (Collombo & Grilli, 2005). Entrepreneurs possessing substantial industry-specific and entrepreneur-specific human capital find themselves uniquely equipped to capitalize on overlooked business opportunities and to make strategic decisions that are vital for the success of the new enterprise (Collombo & Grilli, 2005). The theory of human capital plays a crucial role in informing the decision-maker in this context. The theory substantiated the variable concerning human capital.

#### **2.2.4 Resource Based View Theory**

This theory, initially presented by Penrose in 1959, has been thoroughly articulated by Barney in 2001, aiming to clarify how organizations can strategically position themselves within the market by effectively leveraging their accessible resources. The

theory posits that a company's resources serve as the essential elements of its competitiveness and overall success. The analysis of sources of competitive edge is predicated upon two foundational assumptions (Barney, 1991).

This theory posits that firms in a field, or part of a strategic group, may exhibit heterogeneity concerning the array of resources they possess. Furthermore, it posits that the variability of resources may endure over time, as the assets employed in the execution of corporate strategies are not entirely transferable between firms. The RBV theory serves as the most fitting framework for elucidating how businesses can achieve competitive advantages and enhance their success (Barney, 2001).

The RBV posits that the resources possessed by an organization are paramount in determining its competitiveness and overall performance. The theory posits that organizations must amalgamate their resources, which represent the essential capabilities they are guaranteed to possess, to ensure the efficacy of their internal operations and their continued survival. (Ngatia, 2013)

Barney (2011) posits that the resource-based theory approach has transitioned from a fledgling, emerging viewpoint to one of the most significant and influential frameworks for articulating, elucidating, and forecasting organizational dynamics. The RBV of the firm stands as a prominent research approach, extensively employed by numerous scholars (Melville et al, 2004). The RBV, in its foundational essence, underscores the significance of a firm's internal resources as the primary elements of effectiveness and competitive edge, instead of focusing on external environmental factors. This theory substantiated the variable concerning financial resources.

## **2.3 Empirical Review**

### **2.3.1 Product Innovation and Firm Performance**

A diverse array of research has been undertaken regarding the connection between management innovations and the organizational success. The significance of innovation as a fundamental component of organizational development has garnered the attention of numerous scholars and researchers worldwide, who have concentrated on its effects on the general performance of organizations.

Okundi (2018) undertook a study analyzing the link between product innovation strategies and the entrepreneurial performance of selected SMEs in Nakuru town east

sub-county, Kenya. The research employed a descriptive and explanatory design, focusing on a sample of 126 participants. The findings indicate a robust and significant correlation between innovation strategies in product, process, marketing, and organization, and the entrepreneurial performance of SMEs in Nakuru Town.

Wachira (2018) undertook an investigation into the effect of product innovation on the fiscal health of Kenyan banking institutions. The researcher sought to investigate the innovations that banking industry have implemented and invested in to enhance their profitability. The research employed a cross-sectional descriptive approach, encompassing a sample of 39 participants drawn from all financial institutions in Kenya. The research indicated that innovations facilitated commercial banks in expanding their clientele and enhancing customer acquisition.

Herman (2019) researched the impact of market orientation and product innovation on competitive edge and its implications for the performance of SMEs. The focus of this research is on the SMEs in Batam city, specifically those engaged in production activities, comprising a total audience of 153 SMEs. The findings of the study indicate that market orientation exerts a beneficial and substantial impact on the competitive edge. The impact of product innovation on business competitiveness has been significant and favorable. The interaction between market orientation and product innovation produces a markedly favorable and substantial impact on competitiveness.

Hadi (2023) studied the effects of product innovation on the profitability of SMEs, examining the moderating effects of organizational learning and market orientation. The researchers employed a quantitative approach to conduct a survey involving 170 SME owners in DKI Jakarta Province, gotten through a purposive sampling technique. This survey was executed via an online medium, utilizing questionnaires disseminated through a digital platform. The subsequent analysis of the data is conducted utilizing Structural Equation Modeling through AMOS and the Process framework developed by Hayes. The findings from the hypothesis testing indicate that product innovation positively influences the performance of SMEs, with this influence being more pronounced in contexts where SMEs exhibit strong market orientation and robust organizational learning.

### **2.3.2 Information Technology and Firm Performance**

Majau and Ragui (2017) researched the impact of technological innovation on the success of SMEs in Nanyuki town, Laikipia County, Kenya. The research utilized a descriptive and cross-sectional approach to gather the perspectives and insights of the participants. The research focus was on the proprietors and staff of 1,150 SMEs in Nanyuki town. The results indicated that a considerable number of SMEs employed technological innovations to a moderate degree. The predominant technological advancement employed involved novel production methodologies and innovative product systems.

Murigi (2018) studied the practices of IT security and their impact on the performance of SMEs in Nairobi County, Kenya. Descriptive statistics and multiple regression analysis were utilized to ascertain the link between study variables. The research indicated that the policies regarding privacy and confidentiality, backup procedures, and the protocols for sharing, storing, and transmitting data significantly impact the success of SMEs in Kenya. Moreover, the effectiveness of SMEs in Kenya is significantly shaped by the channels of communication, the provision of security training and education, and the regularity of such training initiatives.

Tukundane *et al.* (2020) researched the adoption of IT and its impact on the growth of SMEs in the greater Kampala metropolitan area, Uganda. In Uganda, it seems essential to place a stronger focus on research that connects the adoption of IT with the development of SMEs. This research employed a mixed methods approach alongside a cross-sectional research design to ascertain the impact of adoption of IT on the growth of SEs in the greater Kampala metropolitan area, utilizing a sample of 189 senior administrators from SMEs. The outcomes indicated a substantial link between the adoption of IT and the growth of SMEs. The findings from the linear regression analysis suggested that 42.2% of the growth of SMEs, as per the research, could be attributed to variations in the practices surrounding IT adoption.

Thuo (2022) studied the effects of technology on success of SMEs in Starehe sub-county, Nairobi County, Kenya. The research utilized a descriptive research approach. The research audience was 21,100 SMEs operating in Nairobi Starehe Sub County. The SMEs were the unit of observation, with the respondents being the owners and managers of the SMEs who helped in responding to the questionnaire. This research

employed a stratified random sampling approach. The study sample size comprised of 108 SMEs with 8 strategic strata categories developed from the classification designed by the Nairobi City Council licensing department. Pearson correlation analysis was utilized to investigate the link between SMEs performance and the adoption factors of technology among SMEs with the findings showing that SMEs performance had a significant relationship with adoption factors of technology among SMEs.

### **2.3.3 Human Capital and Firm Performance**

Alnachef (2018) analyzed the influence of human capital on organizational success utilizing a comprehensive literature review. This research analyzed the influence of human capital on firm success from several essential viewpoints. Firm performance is assessed through both financial and non-financial metrics. The study ultimately presents a foundational model explaining the connection between human capital and organizational performance.

Kiran *et al.* (2022) conducted a review exploring the effects of human capital management on organizational success, incorporating the mediating role of human resource analytics. They formulated a conceptual framework to investigate the interplay between the elements of HCM and its impact on organizational performance, mediated by HR analytics. The research is grounded in a comprehensive systematic review of the literature derived from prior investigations. The systematic review substantiated the proposed conceptual model, demonstrating that HR analytics facilitate organizations in monitoring their human capital management and enhance overall organizational performance.

Hidayat (2022) undertook research into the impact of human capital on the success of organizations. This paper explored the influence of HC on firm performance through a range of analytical perspectives. An analysis of organizational efficacy encompassing both fiscal and non-fiscal metrics. This paper ultimately presents a foundational model elucidating the connection between human capital and organizational performance.

Adeyemo *et al.* (2022) researched the impacts of human capital on the success of SMEs in the southwestern region of Nigeria. Data were gathered from the primary source through the utilization of a structured questionnaire. Stratified random approach was utilized to select a sample of 393 SMEs from a sample of 23,290 SMEs located in the

South West states of Nigeria. The research conclusions demonstrated that human capital has a beneficial and substantial effect on the success of SMEs.

#### **2.3.4 Financial Resources and Firm Performance**

Kamara (2018) studied the connection between financial resources and the performance of specific MSMEs in Tomping, Juba City, South Sudan. The research utilized a descriptive cross-sectional survey approach. A sample size of 121 participants was calculated from the target audience of 173 utilizing Slovin's formula. The data gathered through the questionnaire was analyzed through both qualitative and quantitative approaches. The research concluded, amongst other findings, that financial resources exhibit a weak substantial positive correlation with performance in Tomping, Juba City, South Sudan.

Namada (2018) undertook a research into the impact of organizational resources on the efficacy of organizations. A questionnaire was employed for the purpose of data gathering. The analysis of data was conducted through the application of both inferential and descriptive statistical methods. The descriptive analysis encompassed standard deviation, mean, and percentages, while the inferential analysis comprised regression analysis and ANOVA. The research findings suggested that the effectiveness of fundraising initiatives and the allocation of funds to diverse strategic activities and operations significantly impact the overall efficiency of organizational processes.

Wanyama *et al.* (2019) researched the interplay between financial resources, corporate governance, and the performance of Kenyan regional development authorities. The audience under consideration consisted of 169 individuals, including CEOs, managers, heads of departments, and the CFOs. The research employed a stratified random sampling method to choose a sample of 118 participants. Data was gathered through the utilization of structured questionnaires and an interview schedule. The findings demonstrated that a unit alteration in financial resources is associated with a performance variation of 0.236 units ( $\beta_2=0.236$ ,  $P=0.011$ ). The impact of corporate governance on the interplay between financial resources and performance is notably substantial, as evidenced by a change in  $R^2=0.254$ ,  $p=0.000$ . This suggests that corporate governance accounts for a 25.4% variation in the success of the regional development authority.

Gitahi (2022) examined the correlation between financial resources and the success of firms listed on the NSE. The research was inherently a census. The sample consisted of 62 firms that were listed on the NSE and were operational during the period of data collection. The participants in the study were individuals holding managerial positions responsible for overseeing finance and business strategy. The findings indicated that financial resources play a crucial role in influencing firm performance.

#### **2.4 Summary of Literature and Research Gaps**

This section provided a summary of the reviewed literature along with the research gaps that have been discerned. This was executed in accordance with the study's objectives. The primary aim of this research was to ascertain the impact of strategic drivers on the performance of SMEs in Juba, South Sudan.

**Table 2.1 Summary of Literature and Research Gaps**

<b>Author(s)</b>	<b>Title</b>	<b>Findings</b>	<b>Gaps</b>
Okundi (2018)	Product innovation strategies and the entrepreneurial performance of selected SMEs in Nakuru town east sub-county, Kenya.	The outcomes suggest a robust and substantial correlation between innovation strategies in product, process, marketing, and organization and the entrepreneurial success of SMEs in Nakuru Town.	The context of the research was Kenya, the current research was conducted in South Sudan
Wachira (2018)	Impact of product innovation on the profitability of financial institutions in Kenya.	The research revealed that innovations facilitated financial institutions in expanding their customer base and enhancing their clientele.	The research was longitudinal; the current research was cross-sectional.
Herman (2019)	Impact of market orientation and product innovation on competitive edge and its implications for the performance of SMEs.	The research findings indicated that market orientation exerted a favorable and substantial influence on competitive edge. The influence of product innovation on the competitive edge is both positive and substantial.	The analysis employed an exploratory research design. The current study employed a descriptive research approach.
Hadi (2023)	Product innovation and the profitability of SMEs. The moderating effects of organizational learning and market orientation.	The findings from the hypothesis testing suggest that product innovation exerts a beneficial impact on the success of SMEs.	In terms of methodology the study used hypothesis testing whereas current study used research questions

Majau and Ragui (2017)	impact of technological innovation on the performance of SMEs in Nanyuki town, Laikipia County, Kenya	The results indicated that a considerable number of SMEs employed technological innovations to a moderate level.	The location of the prior research was Kenya; the current research took place in South Sudan.
Murigi (2018)	Practices of IT security and their impact on the success of SMEs in Nairobi County, Kenya.	The research revealed that the policies governing confidentiality and security, data backup, and the sharing, storage, and transmission of information significantly impact the success of SMEs in Kenya.	This study just looked at Information technology security practices but current study used strategic drivers
Tukundane <i>et. al</i> (2020)	adoption of IT and its impact on the growth of SMEs in the greater Kampala, Uganda	The findings demonstrated a substantial association between the adoption of IT and the growth of SMEs.	The research settings was Uganda, the current one was conducted in South Sudan
Thuo (2022)	Effects of technology on success of SMEs in Starehe sub-county, Nairobi County, Kenya.	The findings indicated a noteworthy correlation between the performance of SMEs and the factors influencing the adoption of technology in these enterprises.	The research employed an exploratory research approach. The current study utilized a descriptive research design.
Alnachef (2018)	Effect of human capital on organizational success: A literature review	This paper revealed the effect on human capitals has direct impacts on firm performance	This was a desktop review current study included actual data collection

Kiran <i>et.al</i> (2022)	Impact of HCM on organizational performance	The systematic review substantiated the proposed conceptual model and revealed that HR analytics facilitate organizations in monitoring their HCM.	The study did not have theories current study was supported by theories
Hidayat (2022)	Influence of human capital on organizational performance	This research analyzes the influence of human capital on firm performance through various critical lenses.	The context of the study is not clear, current study was conducted in the SME field
Adeyemo <i>et.al</i> (2022)	Impact of human capital on the success of SMEs in south west, Nigeria.	The research determined that human capital exerted a favorable and substantial impacts on the success of SMEs.	The study population is not clear, current study population was clear
Kamara (2018)	Financial resources and performance of selected MSMEs in South Sudan.	The research findings suggest, among other aspects, that there exists a weak positive significant correlation between financial assets and success in Tomping, Juba City, South Sudan.	This study just looked at financial resources but current study used strategic drivers
Namada (2018)	Influence of organizational resources on organizational effectiveness	The research findings suggested that the effectiveness of fundraising initiatives and the allocation of resources to diverse strategic activities and operations significantly impact the overall efficiency of organizational processes.	The context of the study is not clear, current study was conducted in the SME field

Wanyama <i>et.al</i> (2019)	Financial resources, corporate governance and success of regional development authorities in Kenya	The findings revealed financial resources influence performance	Research was undertaken in government authorities current study was on SMEs
Gitahi (2022)	Connection between financial resources and firm performance of companies listed on the NSEs.	The findings demonstrated that financial resources substantially influence corporate performance.	The study population is not clear, current study population was clear

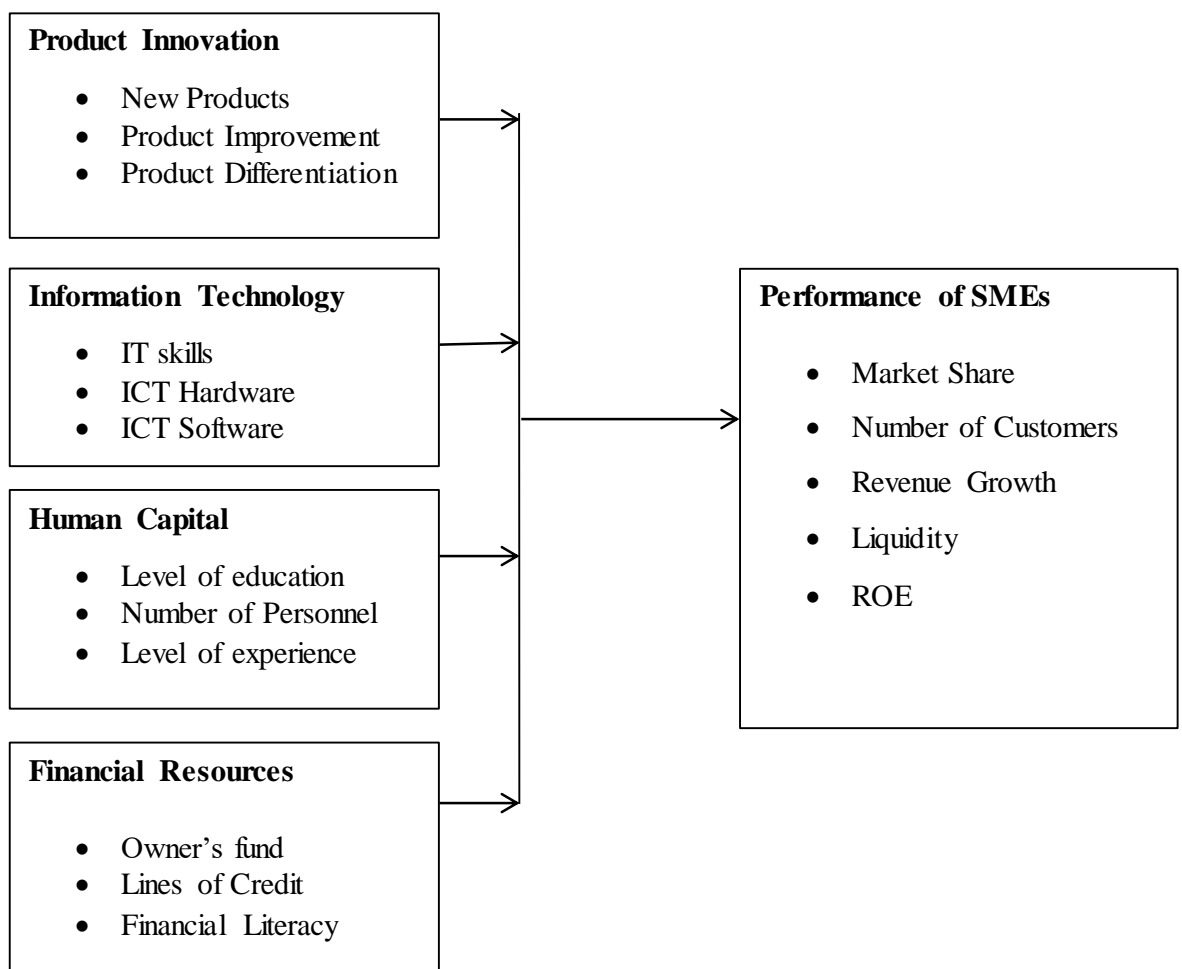
**Source: (Author, 2024)**

## 2.5 Conceptual Framework

A conceptual framework serves as a structured approach that the researcher posits will most effectively elucidate the natural progression of the phenomenon under investigation. From a statistical standpoint, the conceptual framework elucidates the interconnections among the primary concepts of a study. The arrangement follows a logical structure to facilitate a visual depiction of the link among concepts within a study (Grant & Osanloo, 2014).

### Independent Variable

### Dependent Variable



**Figure 2.1: Conceptual Framework**

**Source: (Author, 2024)**

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.0 Introduction

This chapter examined the research approach, the intended audience, sampling procedure, data collection methods, data analysis and presentation techniques, and ethical concerns.

#### 3.2 Research Design

Barnaba (2019) articulates that research design involves establishing the parameters for gathering and analyzing data, striving to achieve a harmonious balance between procedural efficiency and meaningfulness to the study's objectives. This document functions as a framework for the gathering, processing, and analysis of data. This research employed a descriptive research methodology to gather quantitative data that elucidated the link between the variables. According to Garang (2019), descriptive research is used to characterize what is true regarding the variables or conditions in a scenario and ascertain the phenomenon's current position.

#### 3.3 Target Population

Taban and Abe (2020) define a target population as an all-inclusive group that includes every member of an actual or hypothetical group of individuals, occasions, or items about which an investigator wants to generalize the findings. According to Sudan (2017), the target audience is any large group of people, circumstances, or things with certain observable traits. SMEs were the study's target group since they share many of the same observable traits. Since South Sudan is still a new nation with few established companies outside of the capital, Juba, the study focused on all registered SMEs. Based on information from the Chamber of Commerce's registration, there are about 15,000 SMEs registered in South Sudan (Aru, 2022). Consequently, 15,000 SMEs were the study's target group, which further decreased to a manageable sample size.

#### 3.4 Sampling Procedure and Sample Size

Buny (2017) characterized sampling as the method of choosing and examining a comparatively limited set of items, individuals, or occurrences to gain insights into the broader population from which the sample originates. In the study that involved selecting a sample, it was reliable to have a specific and logical sample size to analyze

the study's intended audience (Aru, 2022). The number of units (in this example, SMEs) that we choose from the population to represent it is known as the sample size. Depending on the research design, the level of confidence, the margin of error, and the anticipated percentage of the population exhibiting the desired trait, there are several formulae and techniques for calculating the sample size. One such formulation is:

$$n = (Z^2 * p * (1 - p)) / e^2$$

Whereby n is the sample size, Z denotes the confidence level-corresponding Z-score, p denotes the anticipated proportion, and e denotes the margin of error. For instance, we may enter these values into the calculation to obtain a 95% confidence interval, a 5% margin of error, and a 50% predicted percentage:

$$n = (1.96^2 * 0.5 * (1 - 0.5)) / 0.05^2$$

$$n = 384.16$$

A sample of 384 respondents that was included in the study for the efficient data collection and analysis to yield the relevant information to the objectives.

### **3.5 Data Collection Instruments**

The primary data was gathered through questionnaires. Questionnaires was used in the study since they are a practical way to save money and time. Respondents to questionnaires were given enough time to answer without feeling rushed. According to Odusote and Akpa (2022), a questionnaire consists of a written list of questions that participants must reply to in writing. Responders are believed to be more truthful because questionnaires ensure their anonymity. Through questions, respondents are able to express themselves (Twijnstra & Hilhorst, 2017). Open-ended and closed-ended survey questions allowed participants to share their ideas, opinions, and suggestions.

### **3.6 Pilot Study**

An initial study was conducted to pre-test and validate the questionnaire. Safiatu Sandra (2018) posits that existing research suggests the sample size for a pilot study ought to constitute 10% of the predicted sample size for the final research. Buny (2017) warns that it is a challenging problem to settle or determine because various factors influence these studies. Akoch (2021) recommends 10 to 30 people for research pilots, as Buny (2017) did. Therefore, a minimum representative sample of 20 people, or around 20%

of the parent sample size of 99 expected participants, was used in this study. The actual study did not use the pilot data.

### **3.7 Validity and Reliability of Data Collection Instrument**

#### **3.7.1 Validity of Data Collection Instrument**

Validity concerns whether a measurement obtains the intended information (Safiatu Sandra, 2018). The researcher and the supervisor engaged in a thorough discussion regarding the instrument to ascertain its content validity prior to the commencement of the data gathering process. To gauge the face validity of the items in the tool, all items constituting the variables of this research, which were adapted, underwent testing, validation, and were deemed suitable based on prior research. The evaluation of content validity entailed a thorough examination of a survey data collection tool to ensure it encompasses all critical items or questions pertinent to the research study.

#### **3.7.2 Reliability of Data Collection Instrument**

Reliability pertains to the confidence in the data obtained through the application of the data gathering tool, specifically regarding the degree to which an assessing tool can mitigate random error (Mohajan, 2017). The research questionnaire's reliability was evaluated by Cronbach's alpha which is commonly regarded as the primary metric for evaluating the internal consistency of a tool (Mohajan, 2017). The minimal acceptable criterion is established as alpha values that are equal to or more than 0.7 ( $\alpha \geq 0.7$ ). Alpha scores above 0.7 are considered satisfactory, whereas those beyond 0.8 and 0.9 are classified as very good and outstanding indicators of internal consistency, correspondingly (Nunnally & Bernstein, 2020).

### **3.8 Data Collection Procedures**

The researcher obtained an authorization letter from the graduate school at Kenyatta University. The researcher subsequently pursued and secured a research permit from the NACOSTI in a timely manner prior to initiating the data collection process. The researcher personally visited the various SMEs and formally introduced herself to the individuals in charge. The researcher clarified the purpose of the study, after which permission to proceed with the intended research was sought. The questionnaires that was developed was administered by the respondents themselves and picked at a subsequent date. This method is referred to as the drop-off and pick-up approach,

wherein the researcher distributes the feedback form for self-administration and subsequently retrieves them at a designated later date. The survey forms maintained anonymity to safeguard the privacy of the respondents' information.

### **3.9 Data Analysis and Presentation**

Data analysis is methodical approach to arranging and categorizing unrefined data to extract significant insights. The data requires thorough cleansing and coding to enable the researcher to generate meaningful results (Glass & Hopkins, 2019). The data underwent a thorough examination for precision, homogeneity, logical coherence, and uniformity prior to analysis. Descriptive statistics such as the mean, mode, percentage, and standard deviation were utilized, assisted by the SPSS, to conduct a thorough analysis of the data. In order to enhance the comprehensibility of the analysis' findings, the results were systematically presented in tabular form. Inferential statistics was employed to ascertain the relationship between variables. The qualitative data collected through the open-ended questions was subjected to content analysis for thorough examination. The regression model was articulated as follows,

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Y= Organizational Performance

X<sub>1</sub>= Product Innovation

X<sub>2</sub>= Information Technology

X<sub>3</sub> = Human Capital

X<sub>4</sub>= Financial Resources

β<sub>0</sub> = the regression intercept

β<sub>1</sub>, β<sub>2</sub>, β<sub>3</sub> β<sub>4</sub>, =regression coefficients.

ε=error term.

### **3.10 Ethical Considerations**

The significance of the principle of voluntary consent, wherein it was anticipated that participants took part willingly, was addressed by properly identifying the researcher and making the participants aware of the goals and advantages of the study. Target

participants were free to discontinue their involvement in the study at any moment without facing any repercussions. So, before the study began, the researcher shared this information with the respondents. As a result, everyone who participated in the study did so voluntarily rather than being compelled to. All information received, including statistical data on SMEs, was utilized solely for academic purposes. The identity of the responders remained anonymous. The researcher also exercised caution by giving due credit to academics whose works were cited in this research.

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1 Introduction

This chapter presents an analysis of the research findings to interpret the results. The analysis employed two key methodologies: descriptive statistical analysis for a summary and contextualize subsequent analysis, and inferential analysis to empirically elucidate the individual and collective influence of strategic drivers which were; product innovation, information technology, human capital and financial resources on performance of SMEs in Juba, South Sudan. The findings are presented as table, graphs, and in narrative style. The data that was analyzed was organized according to aspects that were consistent with the research objectives.

#### 4.2 Reliability Test

The study established a target dependability threshold of 0.7, deemed acceptable, 0.8 is good whereas 0,9 is deemed as excellent. The reliability outcomes are presented below.

**Table 4.1 Reliability Test**

<b>Variable</b>	<b>Cronbach's Alpha Value</b>	<b>Conclusion</b>
Product Innovation	0.805	Good
Information Technology	0.814	Good
Human capital	0.812	Good
Financial resources	0.807	Good
Performance	0.801	Good
<b>Average Score</b>	<b>0.808</b>	<b>Good</b>

**Source: Researcher (2024)**

Table 4.1 shows that product innovation had an alpha value of 0.805, information technology 0.814, human capital 0.812, financial resources 0.807 and performance 0.801. The mean score of all alpha values was 0.808, signifying that the questionnaire was good as all values exceeded 0.7.

### 4.3 Response Rate

The findings of this study were generated from completely answered questionnaires that were received from the field. Table 4.2 below displays the number of questionnaires returned, those unreturned, and the corresponding response rate.

**Table 4.2 Response rate**

<b>Status</b>	<b>Frequency</b>	<b>Percentage</b>
Complete questionnaires	300	78%
Incomplete questionnaires	84	22%
<b>Total</b>	<b>96</b>	<b>100.0%</b>

**Source: Field Data, (2024)**

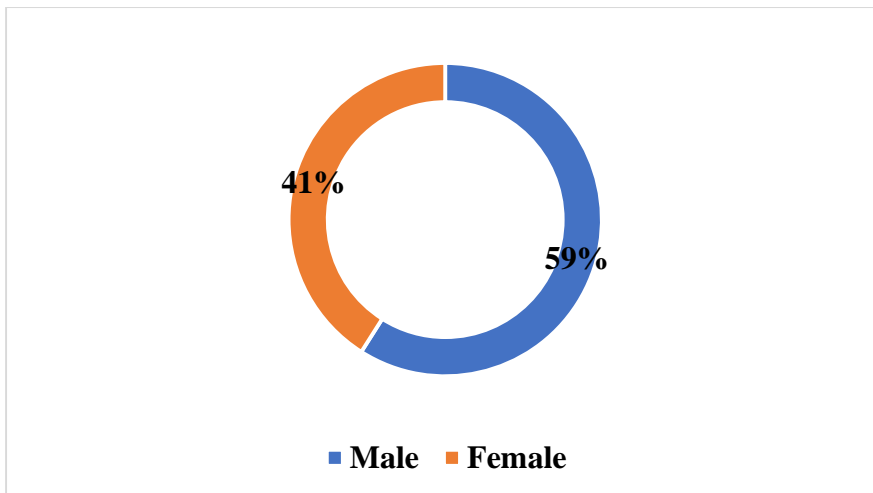
Table 4.2 shows that 384 questionnaires were distributed to SMEs owners in Juba, South Sudan, of which 300 were completely filled and returned, while 84 were not returned, and some were disregarded due to incomplete responses. This showed a total response rate of 78%, an outstanding statistic that enabled an analysis of results, discussion, and extrapolation from the sampled responders. Kothari (2007) asserts that a response rate of 50% is enough for analysis and publication, 60% is regarded as good, 70% as very good, and rates exceeding 80% are classified as excellent. Saunders et al. (2003) suggest that a response rate of 30% to 50% is acceptable for statistical generalizations.

### 4.4 Demographic Characteristics

This section provides the biographical data of the participants. The bio data analyzed included gender, age, product, and duration the owner had operated the business.

#### 4.4.1 Gender of the Respondents

The research sought to establish the gender of the respondents. The findings are illustrated in Figure 4.1 below.



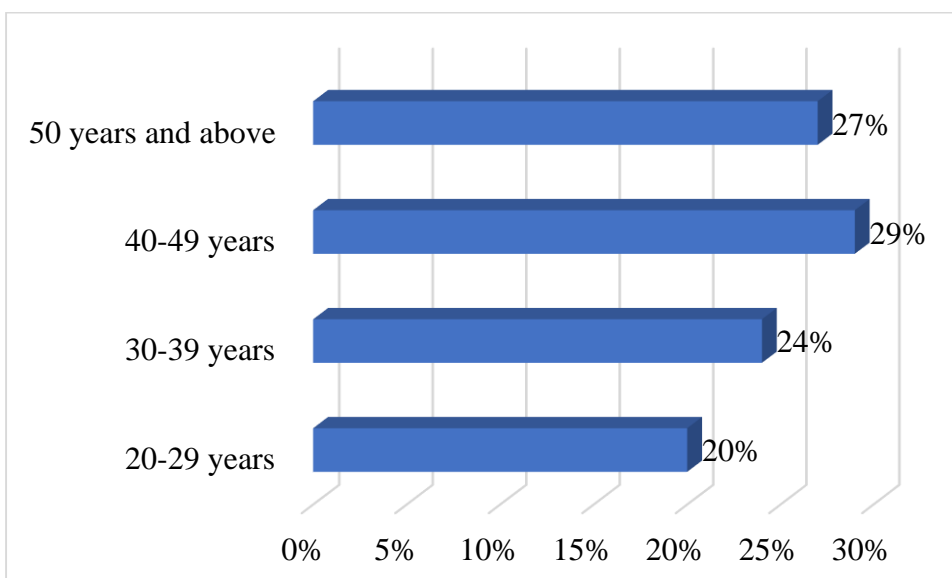
**Figure 4.1 Gender of the Respondents**

**Source: Field Data, (2024)**

Figure 4.1 indicates 59% respondents were male, whereas 41% were female. The research suggests a higher participation rate of males compared to females. The finding indicates that the research was balanced in terms of gender representation, including both male and female, therefore offering a vast array of perspectives from both gender.

#### **4.4.2 Age of the Respondents**

The research sought to establish the age of the participants. The results are illustrated below.



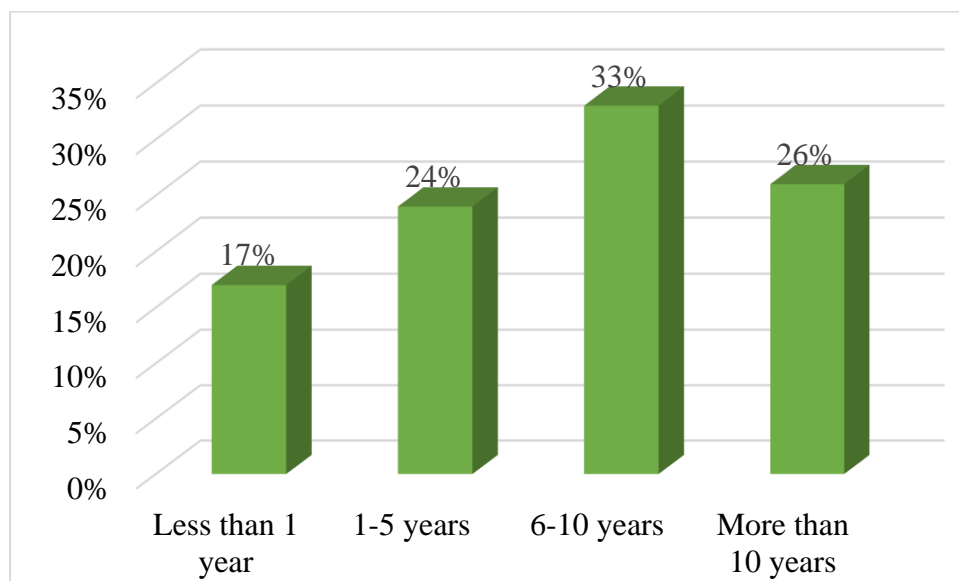
**Figure 4.2 Age of the Respondents**

**Source: Field Data, (2024)**

Figure 4.2 demonstrates that 20% of the participants were aged , whilst 25% were between 31 and 40 years old. Thirty percent of those polled were aged between 41 and 50 years, while eighteen percent were aged 50 years and older.

#### 4.4.3 Duration that the business has been operational

The study sought to determine the duration that the respondents had operated their business. The findings are presented in Figure 4.3 below.



**Figure 4.3 Duration the business has been operational**

**Source: Field Data, (2024)**

The findings in Figure 4.3 above shows that majority of the respondents (33%) indicated that they had operated their business for a duration of between 6 to 10 years. 26% indicated that their businesses had been operation for more than 10 years. 24% indicated that they had operated their business for a period of between 1 to 5 years while 17% indicated that their business had been operational for a period of less than 1 year. These findings demonstrate that the respondents had enough knowledge on the effects of strategic drivers on performance of SMEs in Juba, South Sudan.

#### 4.5 Descriptive Analysis

This section discusses results from the descriptive analysis done in relation to the research's variables. A detailed descriptive analysis was performed for each research variable. This was executed based on data collected from the field. The study used a Likert scale of 1=strongly disagree, 2=disagree, 3=moderately agree 4=agree, and

5=strongly agree. The researcher achieved relevant findings by the application of frequency, mean, and standard deviation. The general objective of the research was to assess the influence of strategic drivers on performance of SMEs in Juba, South Sudan.

#### 4.5.1 Product Innovation and Performance of SMEs in Juba, South Sudan

The study sought to determine the effect of product innovation on performance of SMEs in Juba, South Sudan. The findings are presented in Table 4.3 below.

**Table 4.3 Product Innovation**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
The firm is always coming up with new products	300	4.1167	.72443
The firm always changes to improve design of it products	300	4.0567	.69887
The firm always changes to improve capacity of its products	300	4.0967	.71533
I employ innovative methodologies and advanced tools in my enterprise to enhance operational efficiency.	300	4.1100	.76933
I consistently seek out emerging markets for my products to enhance market share.	300	4.2033	.79997
My enterprise frequently adapts its advertising strategies to enhance profitability.	300	4.0267	.74012
I frequently enhance external relations within my enterprise to broaden market share.	300	4.0667	.73304
<b>Aggregate Score</b>	<b>300</b>	<b>4.0088</b>	<b>.74016</b>

**Source: Researcher (2024)**

The results in Table 4.3 above shows that product innovation influence the performance of SMEs in Juba, South Sudan as suggested by an aggregate mean score of 4.0088 and a standard deviation of 0.7402. The results show that majority of the respondents agreed that; their firms were always coming up with new products (mean=4.1167, std. dev. =0.7244), firms always changed to improve design of their products (mean=4.0567, std. dev. =0.6989), firm always changed to improve capacity of their products (mean=4.0967, std. dev. =0.7153), they employed innovative methodologies and

advanced tools in their businesses to enhance operational efficiency (mean=4.1100, std. dev. =0.7693), they consistently sought out emerging markets for their products to enhance market share (mean=4.2033, std. dev. =0.7999), their businesses frequently adapts their advertising strategies in order to enhance profitability (mean=4.0267, std. dev. =0.74010), they frequently enhanced external relations within their businesses to broaden market share (mean=4.0667, std. dev. =0.7330).

The study findings concurs with those of a study by Wachira (2018) that investigated the effect of product innovation on the fiscal health of Kenyan banking institutions. The research indicated that innovations facilitated commercial banks in expanding their clientele and enhancing customer acquisition.

#### 4.5.2 Information Technology and Performance of SMEs in Juba, South Sudan

The study sought to ascertain the influence of information technology on performance of SMEs in Juba, South Sudan. The findings are presented in Table 4.4 below.

**Table 4.4 Information Technology**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Our organization has a managements system used in running the operations	300	4.1500	.75458
The use of a management system improves efficiency in service delivery	300	4.0200	.75819
The use of a management system reduces cost of service delivery	300	4.0433	.70459
The use of a management information system reduces the duration of time taken to offer services	300	4.0037	.72462
The staff has required IT skills	300	4.0567	.73160
The firm has the required software	300	4.0931	.72690
<b>Aggregate Score</b>	<b>300</b>	<b>4.0611</b>	<b>.73341</b>

**Source: Researcher (2024)**

The results in Table 4.4 above indicates that information technology affect the performance of SMEs in Juba, South Sudan as evinced by an aggregate score of 4.0611 and a standard deviation of 0.7334. The outcomes show that majority of the respondents agreed that; their businesses had a managements system used in running the operations

(mean=4.1500, std. dev. = 0.7546), the use of a management system improved efficiency in service delivery (mean=4.0200, std. dev. =0.7582), the use of a management system reduced cost of service delivery (mean=4.0433, std. dev. =0.7046), application of a management information system reduced the duration of time taken to offer services (mean=4.0037, std. dev. =0.7246), staff had required IT skills (mean=4.0567, std. dev. = 0.7316), their firms had the required software (mean=4.0931, std. dev. = 0.7269).

These findings are similar to those of Murigi (2018)'s study on the practices of IT security and their impact on the performance of SMEs in Nairobi County, Kenya which indicated that the policies regarding privacy and confidentiality, backup procedures, and the protocols for sharing, storing, and transmitting data significantly impact the success of SMEs in Kenya. Moreover, the effectiveness of SMEs in Kenya is significantly shaped by the channels of communication, the provision of security training and education, and the regularity of such training initiatives.

#### 4.5.3 Human Capital and Performance of SMEs in Juba, South Sudan

The study sought to establish the influence of human capital on performance of SMEs in Juba, South Sudan. The findings are presented in Table 4.5 below.

**Table 4.5 Human Capital**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
There are enough staff in our organization	300	4.1232	.73251
Our organization has low employee turnover	300	4.0800	.73626
Our organization has been increasing the number of staff every year	300	4.1000	.76804
Our firm match the numbers of staff depending on the available workload	300	4.0307	.74223
Staff in the organization are excellent in communication	300	4.0054	.78146
Staff in the organization have the required knowledge	300	4.0442	.75365
Staff in the organization are excellent in problem solving	300	4.0631	.74913
Staff in the organization are excellent in decision making	300	4.0215	.69897
<b>Aggregate Score</b>	<b>300</b>	<b>4.0585</b>	<b>.74528</b>

**Source: Researcher (2024)**

The results in Table 4.5 above suggests that human capital influence the performance of SMEs in Juba, South Sudan as shown by an aggregate score of 4.0585 and a standard

deviation of 0.7453. The outcomes show that majority of the respondents agreed that; their firms had enough staff (mean=4.1232, std. dev. =0.7325), their firms had low employee turnover (mean=4.0800, std. dev. =0.7363), organizations had been increasing the number of staff every year (mean=4.0100, std. dev. =0.76804), firms matched the numbers of staff depending on the available workload (mean=4.0307, std. dev. =0.7422), staff in the organization had excellent communication skills (mean=4.0054, std. dev. =0.7815), staff in the organization had the required knowledge (mean=4.0442, std. dev. =0.7537), staff in the organization were excellent in problem solving (mean=4.0631, std. dev. =0.7491) and excellent in decision making (mean=4.0215, std. dev. =0.7453).

The findings are congruent to those of a review by Kiran *et al.* (2022) on the effects of human capital management on organizational success, incorporating the mediating role of human resource analytics. The systematic review substantiated the proposed conceptual model, demonstrating that HR analytics facilitate organizations in monitoring their human capital management and enhance overall organizational performance.

#### 4.5.4 Financial Resources and Performance of SMEs in Juba, South Sudan

The study aimed to ascertain the influence of financial resources on performance of SMEs in Juba, South Sudan. The findings are presented in Table 4.6 below.

**Table 4.6 Financial Resources**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
The main source of fund in our firm is owners contributions	300	4.3170	.71993
Our firm annually borrows external funds for operations	300	4.0912	.80253
Our firm can be financed by sale of shares	300	4.0835	.73815
There are always available funds in the firm to finance different activities	300	4.0814	.76740
The firm has adequate funds to buy physical assets	300	4.1067	.72828
The firm has adequate funds to remunerate staff	300	4.1614	.77658
The firm has enough financial resources to cater for repairing and maintaining physical assets	300	4.0433	.69020
Our firm prepares a monthly expenditure plan	300	4.0151	.68210
<b>Aggregate Score</b>	<b>300</b>	<b>4.1125</b>	<b>.73815</b>

**Source: Researcher (2024)**

The results in Table 4.6 above indicates that financial resources influence the performance of SMEs in Juba, South Sudan as demonstrated by an aggregate score of

4.1125 and a standard deviation of 0.7382. The results shows that majority of the respondents agreed that; their main source of fund in their businesses was owners contributions (mean=4.3170, std. dev. =0.7199), their firms borrowed external funds for operations annually (mean=4.0912, std. dev. =0.8025), firms could be financed by sale of shares (mean=4.0835, std. dev. =0.7382), there were funds always available in the firms to finance different activities (mean=4.0814, std. dev. =0.7674), firms had adequate funds to buy physical assets (mean=4.1067, std. dev. =0.7283), and adequate funds to remunerate staff (mean=4.1614, std. dev. =0.7766), firm had enough financial resources to cater for repairing and maintaining physical assets (mean=4.0433, std. dev. =0.6902), firms prepared a monthly expenditure plan (mean=4.0151, std. dev. =0.6821).

These findings are similar to those of Namada (2018) who undertook a research into the impact of organizational resources on the efficacy of organizations. A questionnaire was employed for the purpose of data gathering. The research findings suggested that the effectiveness of fundraising initiatives and the allocation of funds to diverse strategic activities and operations significantly impact the overall efficiency of organizational processes.

#### **4.5.5 Organizational Performance**

The research intended to ascertain the magnitude to which the SMEs in Juba, South Sudan had achieved the following performance factors as a result of implementation of strategic drivers. The results are displayed Table 4.7 below.

**Table 4.7 Organizational Performance**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Our market share has continuously grown	300	4.0938	.76150
Our customer base is on the rise	300	4.0620	.76913
Our revenues have increased continuously	300	4.1534	.73822
Our operation costs have decreased	300	4.0312	.73318
We have opened new branches of late	300	4.0007	.75014
We have no liquidity issues	300	4.0811	.73626
We are able to realize a return on our equity	300	4.1100	.75263
<b>Aggregate Score</b>	<b>300</b>	<b>4.0832</b>	<b>.74872</b>

**Source: Researcher (2024)**

The results in Table 4.7 above shows that majority of the respondents agreed that; their market share had continuously grown (mean=4.0938, std. dev. =0.7615), customer base was on the rise (mean=4.0620, std. dev. =0.7691), revenues had increased continuously (mean=4.1534, std. dev. =0.7382), operation costs had gone down (mean=4.0312, std. dev. =0.7332), they had opened new branches of late (mean=4.007, std. dev. =0.7501), they had no liquidity issues (mean=4.0811, std. dev. =0.7363), they were able to realize a return on our equity (mean=4.1100, std. dev. =0.7487). These findings indicated that strategic drivers influenced the performance of SMEs in Juba, South Sudan.

#### **4.6 Inferential Analysis**

This section examines the results of correlation and regression analysis. Correlation analysis was performed to assess the correlation strength, while regression analysis was utilized to ascertain the relationship between the independent variables (product innovation, information technology, human capital, and financial resources) and the dependent variable (the performance of SMEs in Juba, South Sudan).

##### **4.6.1 Correlation Analysis**

This section analyzes the correlation between the study variables. The results are displayed in Table 4.8.

**Table 4.8 Correlations**

	Product Innovation	Information Technology	Human Capital	Financial Resources	Performance
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Product Innovation	Pearson Correlation	1	.810**	.792**	.730**	.743**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	300	300	300	300	300
Information Technology	Pearson Correlation	.810**	1	.874**	.842**	.772**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	300	300	300	300	300
Human Capital	Pearson Correlation	.792**	.874**	1	.828**	.822**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	300	300	300	300	300
Financial Resources	Pearson Correlation	.730**	.842**	.828**	1	.803**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	300	300	300	300	300
Performance	Pearson Correlation	.743**	.772**	.822**	.803**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	300	300	300	300	300

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source: Researcher (2024)**

According to the findings of the correlation analysis, the performance of SMEs in Juba, South Sudan and all analyzed elements of strategic drivers were positively and significantly correlated, however the strength of the association varied.

The results shown in Table 4.8 established a positive and significant relationship between product innovation and performance of SMEs in Juba, South Sudan ( $r = 0.743$ ,  $p = .000$ ). This indicated a substantial correlation between product innovation and performance of SMEs in Juba, South Sudan.

These findings are same as those of a study by Okundi (2018) that analyzed the link between product innovation strategies and the entrepreneurial performance of selected SMEs in Nakuru town east sub-county, Kenya and found a robust and significant correlation between innovation strategies in product, process, marketing, and organization, and the entrepreneurial performance of SMEs in Nakuru Town.

The results in Table 4.8 found a positive and significant relationship between information technology and performance of SMEs in Juba, South Sudan ( $r = 0.772$ ,  $p$

= .000). This revealed a substantial correlation between information technology and the success of SMEs in Juba, South Sudan.

These findings concur with those of a study by Thuo (2022) on the effects of technology on success of SMEs in Starehe sub-county, Nairobi County, Kenya. Pearson correlation analysis was utilized to investigate the link between SMEs performance and the adoption factors of technology among SMEs with the findings showing that SMEs performance had a significant relationship with adoption factors of technology among SMEs.

The results in Table 4.8 indicated a positive and significant relationship between human capital and performance of SMEs in Juba, South Sudan ( $r = 0.822$ ,  $p = .000$ ). This suggested a substantial correlation between human capital and the performance of SMEs in Juba, South Sudan.

The findings are congruent to a study by Adeyemo *et al.* (2022) that researched the impacts of human capital on the success of SMEs in the southwestern region of Nigeria. The research conclusions demonstrated that human capital has a beneficial and substantial effect on the success of SMEs.

The findings in Table 4.8 demonstrated a positive and significant relationship between financial resources and performance of SMEs in Juba, South Sudan ( $r = 0.803$ ,  $p = .000$ ). This indicated a substantial correlation between financial resources and performance of SMEs in Juba, South Sudan.

The findings differ with those of a study by Kamara (2018) on the connection between financial resources and the performance of specific MSMEs in Tomping, Juba City, South Sudan that concluded, amongst other findings, that financial resources exhibit a weak substantial positive correlation with performance in Tomping, Juba City, South Sudan.

#### **4.7 Multiple Regression Analysis**

Regression analysis was utilized to ascertain the influence of the strategic drivers on performance of SMEs in Juba, South Sudan. The results from the model summary, ANOVA, and coefficient analysis are provided in Tables 4.9, 4.10, and 4.11.

**Table 4.9 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.857 <sup>a</sup>	.735	.731	.30760

a. Predictors: (Constant), Financial Resources, Product Innovation, Human Capital, Information Technology

**Source: Researcher (2024)**

The above model summary shows the correlation coefficient (R) and the corrected coefficient of determination (R<sup>2</sup>). The R value was 0.857 signifying a healthy link between the variables. The modified R<sup>2</sup> value of 0.735 signifies that 73.5% of the variance in performance of SMEs in Juba, South Sudan is attributable to changes in product innovation, information technology, human capital and financial resources. The remainder of 26.5% can be attributed to other aspects not studied in this research.

**Table 4.10 ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	77.337	4	19.334	204.339	.000 <sup>b</sup>
	Residual	27.913	295	.095		
	Total	105.250	299			

a. Dependent Variable: Performance

b. Predictors: (Constant), Financial Resources, Product Innovation, Human Capital, Information Technology

**Source: Researcher (2024)**

Table 4.10 provides a p-value of 0.000, which is less than 0.05, and an F statistic of 204.339. This indicates that the research's model effectively projected the dependent variable and demonstrated statistical significance (excellent fit). This illustrates the substantial effect of strategic drivers on performance of SMEs in Juba, South Sudan.

**Table 4.1 Coefficients<sup>a</sup>**

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	.428	.133		3.232	.001
Product Innovation	.185	.053	.189	3.529	.000
Information Technology	.052	.077	.050	.680	.003
Human Capital	.410	.068	.413	6.058	.000
Financial Resources	.359	.058	.365	6.147	.000

a. Dependent Variable: Performance

**Source: Researcher (2024)**

The study adopted model was;

$$Y=0.428X+0.185X_1+0.052X_2+0.410X_3+0.359X_4+ \epsilon.$$

#### **4.7.1 Product innovation and performance of SMEs in Juba, South Sudan.**

Results in Table 4.11 shows that product innovation had a positive and substantial effect on performance of SMEs in Juba, South Sudan ( $\beta = 0.185$ ,  $p < 0.05$ ). This suggests that a unit increase in product innovation will lead to a 0.185 unit increase in performance of SMEs in Juba, South Sudan.

The findings concurs with Herman (2019)'s research on the impact of market orientation and product innovation on competitive edge and its implications for the performance of SMEs. The study indicated that impact of product innovation on business competitiveness was significant and favorable. The interaction between market orientation and product innovation produces a markedly favorable and substantial impact on competitiveness.

#### **4.7.2 Information Technology and performance of SMEs in Juba, South Sudan.**

Results in Table 4.11 indicated that information technology had a positive and substantial effect on performance of SMEs in Juba, South Sudan ( $\beta = 0.052$ ,  $p < 0.05$ ). This demonstrates that a unit increase in information technology will lead to a 0.052 unit increase in performance of SMEs in Juba, South Sudan.

The findings are similar to those of a research by Tukundane *et al.* (2020) on the adoption of IT and its impact on the growth of SMEs in the greater Kampala metropolitan area, Uganda. The results indicated a substantial link between the adoption of IT and the growth of SMEs. The findings from the linear regression analysis suggested that 42.2% of the growth of SMEs, as per the research, could be attributed to variations in the practices surrounding IT adoption.

#### **4.7.3 Human capital and performance of SMEs in Juba, South Sudan.**

Results in Table 4.11 showed that human capital had a positive and substantial effect on performance of SMEs in Juba, South Sudan ( $\beta = 0.410$ ,  $p < 0.05$ ). This infers that a unit increase in human capital will lead to a 0.410 unit increase in performance of SMEs in Juba, South Sudan.

The findings are consistent to a study by Kiran *et al.* (2022) on the effects of human capital management on organizational success, incorporating the mediating role of human resource analytics. The research was grounded in a comprehensive systematic review of the literature derived from prior investigations. The systematic review substantiated the proposed conceptual model, demonstrating that HR analytics facilitate organizations in monitoring their human capital management and enhance overall organizational performance.

#### **4.7.4 Financial resources and performance of SMEs in Juba, South Sudan.**

Last but not the least, the results in Table 4.11 suggested that financial resources had a positive and substantial effect on performance of SMEs in Juba, South Sudan ( $\beta = 0.359$ ,  $p < 0.05$ ). This infers that a unit increase in financial resources will lead to a 0.359 unit increase in performance of SMEs in Juba, South Sudan.

The findings are similar to those of a study by Wanyama *et al.* (2019) that researched the interplay between financial resources, corporate governance, and the performance of Kenyan regional development authorities. The findings demonstrated that a unit alteration in financial resources is associated with a performance variation of 0.236 units ( $\beta = 0.236$ ,  $P = 0.011$ ).

**CHAPTER FIVE**  
**SUMMARY OF FINDINGS, CONCLUSIONS AND**  
**RECOMMENDATIONS**

**5.1 Introduction**

The chapter provides a summary of research findings, conclusions, and recommendations. The summary of research findings were dictated by the study objectives; to ascertain the effect of strategic drivers on the performance of SMEs in Juba, South Sudan. The conclusions were based on each of the inferential results and recommendations guided by the findings under each objective.

**5.2 Summary of the Findings**

This study sought to ascertain the effect of strategic drivers on the performance of SMEs in Juba, South Sudan. The study findings are summarized as follows.

**5.2.1 Product innovation and performance of SMEs in Juba, South Sudan.**

This study sought to investigate the influence of product innovation on performance of SMEs in Juba, South Sudan. The study found that that product innovation influenced performance of SMEs in Juba, South Sudan. The study found that; firms were always coming up with new products. Firms always changed to improve design of their products. Firm always changed to improve capacity of their products. Firms employed innovative methodologies and advanced tools in their businesses to enhance operational efficiency. They consistently sought out emerging markets for their products to enhance market share. Their businesses frequently adapts their advertising strategies in order to enhance profitability. Firms frequently enhanced external relations within their businesses to broaden market share.

**5.2.2 Information technology and performance of SMEs in Juba, South Sudan.**

This study sought to ascertain the influence of information technology on performance of SMEs in Juba, South Sudan. The study found that; information technology influenced performance of SMEs in Juba, South Sudan. The study found that; their businesses had a managements system used in running the operations. The use of a management system improved efficiency in service delivery. The use of a management system reduced cost of service delivery. Application of a management information

system reduced the duration of time taken to offer services. Staff had required IT skills. Firms had the required software.

### **5.2.3 Human capital and performance of SMEs in Juba, South Sudan.**

This study aimed to determine the influence of human capital on performance of SMEs in Juba, South Sudan. The study found that; firms had enough staff. Firms had low employee turnover. Organizations were increasing the number of staff every year. Firms matched the numbers of staff depending on the available workload. Staff in the organization had excellent communication skills. Staff in the organization had the required knowledge. Staff in the organization were excellent in problem solving and excellent in decision making.

### **5.2.4 Financial resources and performance of SMEs in Juba, South Sudan.**

This study sought to ascertain the influence of financial resources on performance of SMEs in Juba, South Sudan. The study found that; most firms' main source of fund was owners' contributions. Firms borrowed external funds for operations annually. Firms could be financed by sale of shares. There were funds always available in the firms to finance different activities. Firms had adequate funds to buy physical assets and adequate funds to remunerate staff. Firm had enough financial resources to cater for repairing and maintaining physical assets and prepared a monthly expenditure plan.

### **5.2.5 Performance of SMEs in Juba, South Sudan.**

The research intended to ascertain the magnitude to which the SMEs in Juba, South Sudan had achieved the performance factors as a result of implementation of strategic drivers and found that; most firms' market share had continuously grown. Customer base for most firms was on the rise. Firms' revenues had increased continuously. Firms' operation costs had gone down. Most of firms had of late opened new branches and had no liquidity issues. Majority of firms were able to realize a return on our equity. The study found that that strategic drivers influenced the performance of SMEs in Juba, South Sudan.

## **5.3 Conclusions**

Based on the research findings, the following conclusions were made;

The first goal of the research was to ascertain the influence of product innovation on the performance of SMEs in Juba, South Sudan. The researcher concluded that product

innovation had a favorable and statistically considerable effect on the performance of SMEs in Juba, South Sudan. The research concludes that the product innovation significantly influenced the performance of SMEs in Juba, South Sudan. The study concluded that a unit increase in product innovation will lead to an increase in performance of SMEs in Juba, South Sudan.

The second objective of the research was to determine the influence of information technology on the performance of SMEs in Juba, South Sudan. The study concluded that information technology had an auspicious and statistically significant influence on the performance of SMEs in Juba, South Sudan. The research concludes that the information technology significantly influenced the performance of SMEs in Juba, South Sudan. The study also concluded that a unit increase in information technology will lead to an increase in performance of SMEs in Juba, South Sudan.

The third objective of the research was to establish the influence of human capital on the performance of SMEs in Juba, South Sudan. The study concluded that human capital had a favorable and statistically significant influence on the performance of SMEs in Juba, South Sudan. The research concludes that the human capital significantly influenced the performance of SMEs in Juba, South Sudan. The study also concluded that a unit increase in human capital will result to an increase in performance of SMEs in Juba, South Sudan.

The fourth and final objective of the research was to ascertain the influence of financial resources on the performance of SMEs in Juba, South Sudan. The study concluded that financial resources had a favorable and statistically significant influence on the performance of SMEs in Juba, South Sudan. The research concludes that the financial resources significantly influenced the performance of SMEs in Juba, South Sudan. The study also concluded that a unit increase in financial resources led to an increase in performance of SMEs in Juba, South Sudan.

#### **5.4 Recommendations.**

The study recommends that; firms should always come up with new products to attract more customers. Firms should embrace change so as to improve design of their products and increase market share and also improve capacity of their products. They should embrace innovative methodologies and advanced tools in their businesses to enhance operational efficiency. They should also consistently sought out emerging markets for

their products to enhance market share. Businesses should frequently adapt their advertising strategies in order to enhance profitability and should frequently enhance external relations within their businesses to broaden market share.

The research recommends that; businesses should adopt management information system in running the operations. This will improve efficiency in service delivery and reduced cost of service delivery. Application of a management information system could also reduce the duration of time taken to offer services. Staff should have the necessary IT skills and also firms should have the required software to run their businesses so as to enhance performance.

The study recommends that; Firms should compensate their staff well so as to have low employee turnover. They should ensure that they have enough workforce depending on the available workload. Staff in the organization should have excellent communication skills and the required knowledge. Staff in the organization should be have problem solving and decision making skills.

The study recommends that; firms should have sufficient source of funding like external funds for operations annually and sale of shares. There should always be available in the firms to finance different activities. Firms should have adequate funds to buy any required physical assets and adequate funds to remunerate staff. Firm should have enough financial resources to cater for repairing and maintaining physical assets and this should be prepared a monthly expenditure plan.

### **5.5 Suggestions for Further Studies**

The researcher advocates for further studies to involve a broader spectrum beyond the performance of SMEs in Juba, South Sudan. Therefore, more studies can examine comparable studies in the other parts of South Sudan. The researcher may gather data from various regions of the country to evaluate the effect of strategic drivers in other sectors in Juba, South Sudan. Furthermore, future studies might explore additional dimensions and varied measuring approaches to assess the effect of strategic drivers on performance of SMEs in South Sudan.

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## APPENDICES

### Appendix I: Cover Letter

Greetings

#### **Re: Invitation to Participate in Research Study**

I am a MBA (Strategic Management) student at Kenyatta University. I am presently engaged in an academic research project entitled 'STRATEGIC DRIVERS AND PERFORMANCE OF SMEs IN JUBA, SOUTH SUDAN.' The research outcomes will provide a basis for enhancing the organization's strategic management approaches.

Please be advised that your replies will be handled with absolute secrecy and will exclusively be utilized for educational reasons. Kindly consider each question meticulously and provide your answer by marking or writing as directed.

Yours Faithfully



**NOP NYARUOT KUR YAY**

**D53/OL/CTY/26094/2019**



The firm is always coming up with new products					
The firm always changes to improve design of its products					
The firm always changes to improve capacity of its products					
I employ innovative methodologies and advanced tools in my enterprise to enhance operational efficiency.					
I consistently seek out emerging markets for my products to enhance market share.					
My enterprise frequently adapts its advertising strategies to enhance profitability.					
I frequently enhance external relations within my enterprise to broaden market share.					

How else do you think Product Innovation can be utilized to improve firm performance?

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**ii) Information Technology**

The subsequent assertions pertain to the realm of IT in SMEs in Juba, South Sudan. Please display your response on a scale of 1 to 5 by marking the appropriate spaces offered. Key:

(5 – Strongly Agrees, 4 – Agrees, 3 – Neutral, 2 – Disagrees, 1 – Strongly Disagrees)

<b>Assertions</b>	5	4	3	2	1
Our organization has a managements system used in running the operations					

The use of a management system improves efficiency in service delivery					
The use of a management system reduces cost of service delivery					
The use of a management information system reduces the duration of time taken to offer services					
The staff has required IT skills					
The firm has the required software					

How else do you think information technology affect firm performance?

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**iii) Human Capital**

Considering a rating scale, to what level do you concur with the subsequent assertions regarding the impact of human capital on SMEs in Juba, South Sudan? Please indicate your response by marking the appropriate boxes given. Key:

(5 – Strongly Agrees, 4 – Agrees, 3 – Neutral, 2 – Disagrees, 1 – Strongly Disagrees)

<b>Assertions</b>	5	4	3	2	1
There are enough staff in our organization					
Our organization has low employee turnover					
Our organization has been increasing the number of staff every year					
Our firm match the numbers of staff depending on the available workload					
Staff in the organization are excellent in communication					

Staff in the organization have the knowledge required					
Staff in the organization are excellent in problem solving					
Staff in the organization are excellent in decision making					

How else do you think human capital affect firm performance?

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**iv Financial Resources**

The subsequent assertions pertain to the impact of financial resources on SMEs in Juba, South Sudan. Please indicate your response on a scale of 1 to 5 by marking the appropriate spaces given. Key:

(5 – Strongly Agrees, 4 – Agrees, 3 – Neutral, 2 – Disagrees, 1 – Strongly Disagrees)

<b>Assertions</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
The main source of fund in our firm is owners contributions					
Our firm annually borrows external funds for operations					
Our firm can be financed by sale of share					
There are always available funds in the firm to finance different activities					
The firm has adequate funds to buy physical assets					
The firm has adequate funds to remunerate staff					

The firm has enough financial resources to cater for repairing and maintaining physical assets					
Our firm prepares a monthly expenditure plan					

How else do you think financial resources affect firm performance?

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**SECTION E: PERFORMANCE OF SMEs IN JUBA, SOUTH SUDAN**

The subsequent assertions pertain to the performance metrics of SMEs in Juba, South Sudan. Please indicate your response on a scale of 1 to 5 by marking the appropriate spaces given. Key:

(5 – Strongly Agrees, 4 – Agrees, 3 – Neutral, 2 – Disagrees, 1 – Strongly Disagrees)

<b>Assertions</b>	5	4	3	2	1
Our market share has continuously grown					
Our customer base is on the increase					
Our revenues have increased continuously					
Our operation costs have decreased					
We have opened new branches of late					
We have no liquidity issues					
We are able to realize a return on our equity					

**Thanks**

## Appendix II: Research Work Plan

	Nov-Jan	Feb	Mar	Apr	May	Jun	Jul
Produce draft proposal	■						
Proposal ready for presentation		■					
Incorporation of panel comments			■				
Pilot testing of questionnaire			■				
Data collection			■	■			
Data processing and analysis				■			
Review of draft by supervisor					■		
Incorporate supervisor comments						■	
Submit Project							■

### Appendix III: Research Budget

<b>Item description</b>	<b>Quantity/cost per item</b>	<b>Total Cost</b>
1. Stationery	10 rims of Printing papers @ 600 each	6,000
	3 printer cartridges @ 2000 each	6000
	4 notebooks @ 1000 each	4,000
2. Proposal writing and research	Internet Charges	10,000
	Travel	20,000
	Binding and photocopies 700 pages @ 3 per page	21,000
3. The project	Data collection (Research Assistants)	90,000
4. Miscellaneous	Phones, meals, etc.	15,000
	<b>Total</b>	<b>172,000</b>