



ENTREPRENEURIAL PASSION, INNOVATIVENESS AND THE FINANCIAL PERFORMANCE OF SMALL BUSINESSES IN KAMPALA'S CENTRAL BUSINESS DISTRICT

ABSTRACT

The study sought to establish the relationship between entrepreneurial passion, innovation and financial performance of Small businesses in the Central Business District in Kampala. A cross sectional survey design with a population of 546 from which a sample of 225 respondents was drawn was undertaken. Self-administered questionnaires were used to collect responses. Measurement of the relationships of the study were done and subjected to rigorous data processing and analysis using the Statistical Package for Social Sciences (SPSS).

Findings indicated that there were positive and significant relationships between entrepreneurial passion, innovation and financial performance. Results from regression analysis revealed that entrepreneurial passion and innovation were strong predictors of financial performance with entrepreneurial passion as the stronger predictor of financial performance. Further, the findings revealed that the model could only explain 55.2% in variance of the financial performance. In conclusion, the findings revealed that all the independent variables were significant predictors of financial performance which confirmed that entrepreneurial passion and innovation were paramount in improving financial performance in SMEs. The study recommends that other factors which were not part of the model be used to study financial performance in SMEs and or in other sectors. Likewise, the managements of SMEs draw a lot of emphasis on entrepreneurial

passion and innovation as these would greatly enhance financial performance of SMEs. It is also recommended that a longitudinal study be carried out so as to bring out the true nature of the study.