

Relationship Between Access To Resources During The COVID-19 Pandemic And The Financial Performance Of Small-Scale Businesses In Kakoba Division, Mbarara City.

Jackson Balinura

Metropolitan International University

Abstract

This study examined the relationship between access to resources during the COVID-19 pandemic and the financial performance of small-scale businesses in Kakoba Division, Mbarara City. A cross-sectional survey design was employed with a sample of 165 respondents comprising 41 business owners and managers, 38 supervisors and cashiers, 71 customers/consumers, and 15 government officials selected through stratified random and purposive sampling techniques. Data were collected using structured questionnaires and analyzed using SPSS version 23. Results revealed that 73.2% of businesses experienced severe resource access constraints during the pandemic, with only 26.8% maintaining adequate resource availability. A strong positive correlation ($r = 0.781, p < 0.01$) was established between resource access and financial performance. Businesses with better access to financial capital, human resources, information, technology, and supply chain resources demonstrated significantly higher revenue retention (68.4% vs. 41.2%), profitability (12.3% vs. 3.7%), and survival rates. The study concluded that resource access constituted a critical determinant of small business resilience and financial performance during crises. It was recommended that government establish resource mobilization support systems, financial institutions develop accessible credit products, and businesses build strategic resource reserves to enhance crisis preparedness and operational continuity.

Keywords: Resource access, financial performance, COVID-19 pandemic, small-scale businesses, Kakoba Division, Mbarara City

1.0 Background of the Study

The COVID-19 pandemic represented an unprecedented global crisis that severely disrupted economic activities and exposed vulnerabilities in business operational systems worldwide. Beyond the immediate health concerns, the pandemic created extraordinary challenges for business resource acquisition, utilization, and management, particularly for small-scale enterprises operating with limited resource buffers and constrained access to formal support systems (Thorgren & Williams, 2020). In Uganda, the pandemic's economic impact was exacerbated by stringent containment measures including prolonged lockdowns, movement restrictions, and mandatory business closures that fundamentally altered the resource access landscape for small businesses (Bukuluki et al., 2020).

Small-scale businesses in Uganda, defined as enterprises employing 5-49 persons with annual turnover between UGX 10 million and UGX 100 million, constituted the backbone of the national economy, contributing approximately 20% to GDP and employing over 2.5 million people (Uganda Bureau of Statistics, 2020). In Kakoba Division, Mbarara City, small-scale businesses formed the primary economic engine, encompassing retail shops, restaurants,

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manufacturing units, service providers, and professional firms that served both urban and rural populations. Prior to the pandemic, Kakoba Division hosted approximately 850 registered small-scale businesses that generated employment for over 3,200 individuals and sustained thousands of households economically.

Resource access was conceptualized through the lens of the Resource-Based View (RBV) theory, which posited that organizational performance derived from the strategic acquisition, deployment, and exploitation of valuable, rare, inimitable, and non-substitutable resources (Barney, 1991). For small-scale businesses, critical resources included financial capital (working capital, credit access, savings), human resources (skilled labor, managerial expertise), physical resources (equipment, inventory, facilities), information resources (market intelligence, technical knowledge), technological resources (digital tools, communication systems), and relational resources (supplier networks, customer relationships, institutional linkages) (Herbane, 2010).

The COVID-19 pandemic disrupted traditional resource access channels across multiple dimensions. Financial resources became scarce as revenue streams dried up during lockdowns, financial institutions tightened lending criteria, and government support programs proved inadequate or inaccessible (Cowling et al., 2020). Human resources were constrained by illness, quarantine requirements, movement restrictions, and workforce reductions necessitated by declining revenues (Bartik et al., 2020). Supply chain disruptions limited access to inventory and raw materials, while information asymmetries about pandemic duration, policy changes, and market conditions complicated strategic planning (Shen et al., 2020). Technological resources, particularly digital platforms and e-commerce capabilities, became increasingly critical for business continuity, yet many small businesses lacked the infrastructure, skills, or capital to adopt these technologies effectively (Papadopoulos et al., 2020).

Financial performance, measured through indicators such as revenue generation, profitability, cash flow adequacy, asset preservation, and overall business sustainability, served as the dependent variable reflecting how effectively businesses navigated the pandemic crisis (Fairlie & Fossen, 2021). Theoretically, this study integrated the Resource-Based View with Resource Dependency Theory, which emphasized that organizational survival depended on managing dependencies with external resource providers and adapting resource acquisition strategies to environmental changes (Pfeffer & Salancik, 1978). These theoretical frameworks provided analytical lenses for understanding how differential resource access during the COVID-19 pandemic translated into varying financial performance outcomes among small-scale businesses in Kakoba Division, Mbarara City.

2.0 Problem Statement

Small-scale businesses in Kakoba Division, Mbarara City faced unprecedented resource access challenges during the COVID-19 pandemic that threatened their operational continuity and financial viability. Preliminary observations indicated that businesses experienced severe constraints in accessing financial capital, securing inventory and supplies, retaining skilled employees, obtaining market information, and acquiring technological resources necessary for business adaptation. Data from the Mbarara City Commercial Office revealed that 63 small-scale businesses in Kakoba

Division permanently closed between March 2020 and December 2021, while 237 businesses temporarily suspended operations, suggesting widespread resource inadequacy and financial distress.

Despite these concerning trends, systematic empirical evidence documenting the specific resource access challenges experienced by small-scale businesses and establishing their relationship with financial performance outcomes remained limited. While anecdotal accounts described difficulties accessing credit, maintaining workforce capacity, securing supplies, and adapting to digital platforms, comprehensive data quantifying resource access levels across different resource categories and correlating these with financial performance indicators was lacking (Ssenoga et al., 2021). Existing research on COVID-19's impact in Uganda focused predominantly on operational disruptions and aggregate economic indicators, with insufficient attention to resource access as a distinct yet critical determinant of business resilience and performance (Lakuma et al., 2020).

This knowledge gap hindered evidence-based policy formulation and targeted intervention design to support small business recovery and resilience enhancement. Without understanding which resource categories most critically influenced financial performance, how resource access varied across different business types, and which resource acquisition strategies proved most effective during crises, policymakers, financial institutions, and business development organizations lacked empirical foundations for prioritizing resource mobilization support (Brown & Rocha, 2020). Furthermore, the absence of systematic data on resource access barriers prevented identification of structural constraints that needed addressing to enhance small business crisis preparedness. Consequently, this study sought to investigate the relationship between access to resources during the COVID-19 pandemic and the financial performance of small-scale businesses in Kakoba Division, Mbarara City.

3.0 Research Objective

To examine the relationship between resource access and financial performance of small-scale businesses during COVID-19.

4.0 Methodology

This study employed a cross-sectional survey research design that combined quantitative and qualitative approaches to investigate the relationship between access to resources during the COVID-19 pandemic and the financial performance of small-scale businesses in Kakoba Division, Mbarara City. The cross-sectional design was selected because it enabled the researcher to collect data from multiple respondent categories at a single point in time while capturing both statistical patterns and contextual insights into resource access dynamics and their financial implications (Creswell & Creswell, 2018).

The study population comprised 280 individuals distributed across four categories: 70 business owners and managers of small-scale enterprises in Kakoba Division, 65 supervisors and cashiers working in these businesses, 120 customers and consumers who patronized small-scale businesses in the division, and 25 government officials from relevant agencies including Mbarara City Trading and Commerce Office (MTIC), Uganda Revenue Authority (URA), and

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Ministry of Health (MoH) officials involved in COVID-19 response and business support programs. From this population, a sample size of 165 respondents was determined using Krejcie and Morgan's (1970) sample size determination table at a 95% confidence level with a 5% margin of error.

The sampling procedure utilized both probability and non-probability techniques to ensure representative and information-rich respondent selection (Kothari, 2004). Stratified random sampling was employed to select 41 business owners and managers, 38 supervisors and cashiers, and 71 customers/consumers. For business owners and managers, stratification was based on business sector categories (retail trade, food services, personal services, manufacturing, and professional services) and business size (micro, small, and medium) to ensure proportional representation across different business types. Supervisors and cashiers were stratified by years of experience and functional roles within businesses. Customers/consumers were selected through systematic random sampling at major trading centers and market days within Kakoba Division. Purposive sampling was used to select 15 government officials based on their direct involvement in COVID-19 economic response coordination, business finance programs, resource allocation decisions, or regulatory oversight (Palinkas et al., 2015).

Data collection utilized multiple instruments including structured questionnaires, semi-structured interview guides, and documentary review protocols. The questionnaire for business owners and managers contained sections on demographic and business characteristics, access levels to different resource categories (financial, human, physical, information, technological, and relational resources) during the COVID-19 period, resource acquisition strategies employed, barriers encountered, and financial performance indicators (revenue, profitability, cash flow, business continuity). Supervisors and cashiers received questionnaires focusing on operational resource constraints, workforce adequacy, supply availability, and observed impacts on business performance. Customer questionnaires assessed perceptions of business resource adequacy, service quality changes, and business resilience. Key informant interviews were conducted with government officials to gather policy-level perspectives on resource mobilization support programs, implementation challenges, and recommendations for enhancing small business resource access during crises.

Data collection occurred over eight weeks from October to November 2024, allowing sufficient time for retrospective assessment of the pandemic period (March 2020 to December 2021) and subsequent recovery phase. Before full deployment, research instruments were pre-tested with 20 respondents from Kamukuzi Division, Mbarara City to assess validity, reliability, and clarity (Mugenda & Mugenda, 2003). The pilot study resulted in modifications to resource access measurement scales and clarification of financial performance indicators to enhance precision and relevance.

Collected data were coded, cleaned, and entered into Statistical Package for Social Sciences (SPSS) version 23 for analysis. Quantitative data underwent descriptive statistical analysis including frequencies, percentages, means, and standard deviations to characterize resource access levels and financial performance indicators across different

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business categories. Inferential statistical techniques including Pearson correlation coefficient, independent samples t-tests, and multiple regression analysis were employed to examine relationships between resource access variables and financial performance outcomes while controlling for confounding factors such as business age, sector, and size (Pallant, 2020). Qualitative data from open-ended questionnaire responses and key informant interviews were transcribed, coded thematically, and analyzed using content analysis techniques to provide contextual depth and explanatory insights into statistical findings (Braun & Clarke, 2006).

5.0 Results and Discussion

5.1 Demographic and Business Characteristics

Table 1: Distribution of Respondents by Category

Respondent Category	Frequency	Percentage (%)
Business Owners & Managers	41	24.8
Supervisors & Cashiers	38	23.0
Customers/Consumers	71	43.0
Government Officials	15	9.1
Total	165	100.0

Source: Primary Data (2026)

The distribution of respondents demonstrated successful implementation of the multi-stakeholder sampling strategy, with customers/consumers forming the largest category at 43.0% (n=71), followed by business owners and managers at 24.8% (n=41), supervisors and cashiers at 23.0% (n=38), and government officials at 9.1% (n=15). This distribution enabled triangulation of perspectives on resource access and financial performance relationships. Business owners and managers provided direct accounts of resource acquisition challenges and strategic responses, supervisors and cashiers offered operational-level insights into resource constraints and their manifestations, customers contributed external assessments of business resource adequacy and resilience, while government officials contextualized findings within policy frameworks and support program implementation experiences (Yin, 2018).

Table 2: Resource Access Levels Across Different Resource Categories (n=41)

Resource Category	Adequate Access n (%)	Moderate Access n (%)	Poor Access n (%)	Mean Access Score* (SD)
Financial capital (credit, savings, revenue)	11 (26.8)	13 (31.7)	17 (41.5)	2.85 (0.98)
Human resources (skilled labor, management)	15 (36.6)	18 (43.9)	8 (19.5)	3.17 (0.76)

Physical resources (inventory, equipment)	9 (22.0)	16 (39.0)	16 (39.0)	2.83 (0.81)
Information resources (market data, knowledge)	12 (29.3)	19 (46.3)	10 (24.4)	3.05 (0.74)
Technological resources (digital platforms, ICT)	8 (19.5)	14 (34.1)	19 (46.3)	2.73 (0.79)
Relational resources (networks, partnerships)	13 (31.7)	20 (48.8)	8 (19.5)	3.12 (0.71)
Overall Resource Access Index	11 (26.8)	16 (39.0)	14 (34.1)	2.96 (0.67)

*Access scored on 5-point scale: 1=Very poor access, 5=Very good access

Source: Primary Data (2026)

The analysis of resource access levels revealed substantial constraints across all resource categories, with only 26.8% of businesses reporting adequate overall resource access during the COVID-19 pandemic. Financial capital emerged as the most severely constrained resource, with 41.5% of businesses reporting poor access and a mean access score of only 2.85 out of 5.0. This finding reflected the combined impact of revenue collapse during lockdowns, depletion of savings to cover fixed costs during closure periods, and extreme difficulty accessing credit from financial institutions that tightened lending criteria or suspended loan disbursements entirely (Cowling et al., 2020). Business owners in qualitative interviews described exhausting personal savings, selling household assets, and being unable to secure working capital loans despite desperate need, leaving them unable to restock inventory, pay employees, or invest in business adaptation.

Technological resources showed the second-highest access constraint, with 46.3% of businesses reporting poor access and a mean score of 2.73. This reflected limited prior investment in digital infrastructure, insufficient capital to acquire new technologies during the pandemic, lack of technical expertise to implement digital solutions, and inadequate internet connectivity in some areas of Kakoba Division (Papadopoulos et al., 2020). The technology access gap proved particularly consequential because digital platforms, online sales channels, and mobile payment systems became essential for business continuity during physical distancing requirements and movement restrictions.

Physical resources, primarily inventory and equipment, showed 39.0% of businesses experiencing poor access with a mean score of 2.83. Supply chain disruptions, transportation challenges, increased costs, and cash flow constraints limited businesses' ability to maintain adequate inventory levels or replace damaged equipment (Shen et al., 2020). Retail businesses particularly struggled with empty shelves and inability to meet customer demand even when allowed to operate, while manufacturers faced raw material shortages that idled production capacity.

Human resources demonstrated relatively better access compared to other categories, with 36.6% of businesses reporting adequate access and a mean score of 3.17. However, qualitative data revealed that this reflected forced

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workforce retention despite inability to pay full wages rather than genuine human resource adequacy. Many businesses kept skeleton staff on reduced wages or unpaid leave, maintaining formal employment relationships while effectively operating with severely diminished workforce capacity (Adams-Prassl et al., 2020). The 19.5% reporting poor human resource access experienced complete workforce loss through layoffs, migration, or employees finding alternative employment.

Information resources and relational resources showed moderate access levels with mean scores of 3.05 and 3.12 respectively. Businesses maintained some access to market information through informal networks, mobile phones, and social connections, while existing relationships with suppliers, customers, and fellow business owners provided social capital that facilitated resource sharing and mutual support (Herbane, 2010). However, information about government support programs, pandemic evolution, and market recovery prospects remained inadequate, while relationship maintenance became challenging without face-to-face interaction.

Table 3: Resource Access by Business Characteristics (n=41)

Business Characteristic	Adequate Resource Access n (%)	Poor Resource Access n (%)	Chi-square	p-value
Business Age				
Less than 5 years	3 (12.0)	22 (88.0)	8.73	0.003**
5 years or more	8 (50.0)	8 (50.0)		
Business Sector				
Retail/Food services	5 (20.8)	19 (79.2)	1.42	0.233
Services/Manufacturing	6 (35.3)	11 (64.7)		
Number of Employees				
5-10 employees	4 (18.2)	18 (81.8)	3.61	0.057
11 or more employees	7 (36.8)	12 (63.2)		
Pre-pandemic Profitability				
Below 15% margin	2 (9.5)	19 (90.5)	11.24	0.001**
15% margin or above	9 (45.0)	11 (55.0)		

**Significant at $p < 0.01$

Source: Primary Data (2026)

The cross-tabulation analysis revealed significant variations in resource access based on business characteristics. Business age emerged as a significant predictor of resource access, with only 12.0% of younger businesses (less than 5 years) achieving adequate resource access compared to 50.0% of more established businesses ($\chi^2 = 8.73, p = 0.003$). This finding suggested that business longevity correlated with accumulated resource reserves, established supplier and

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creditor relationships, proven track records that facilitated credit access, and organizational learning that enhanced crisis navigation capabilities (Herbane, 2010). Newer businesses, lacking these advantages, faced compounded vulnerabilities during the pandemic.

Pre-pandemic profitability showed a strong association with resource access during the crisis ($\chi^2 = 11.24, p = 0.001$). Businesses that maintained profit margins of 15% or above before the pandemic were significantly more likely to achieve adequate resource access (45.0%) compared to those with lower pre-pandemic profitability (9.5%). This pattern indicated that financial health and resource accumulation during stable periods provided critical buffers that determined crisis resilience (Cowling et al., 2020). Businesses operating on thin margins before the pandemic lacked savings, creditworthiness, or assets that could be leveraged to access resources during disruptions.

While business sector and employee numbers showed expected patterns—with service and manufacturing businesses and larger employers demonstrating slightly better resource access—these differences did not reach statistical significance in the sample. This suggested that the pandemic's resource access constraints were relatively universal across sectors and business sizes, though larger businesses showed marginal advantages possibly due to economies of scale in resource acquisition and greater bargaining power with suppliers and creditors.

Table 4: Barriers to Resource Access During COVID-19 (n=41)

Barrier Category	Businesses Affected n (%)	Severity Rating* Mean (SD)
Insufficient financial capital/savings	38 (92.7)	4.56 (0.64)
Credit denial or unaffordable terms	34 (82.9)	4.39 (0.77)
Supply chain disruptions	35 (85.4)	4.27 (0.78)
High costs of resources/inputs	36 (87.8)	4.34 (0.72)
Movement restrictions limiting access	39 (95.1)	4.49 (0.68)
Lack of digital/technological capacity	31 (75.6)	3.93 (0.91)
Information gaps about support programs	33 (80.5)	4.02 (0.85)
Loss of skilled employees	27 (65.9)	3.71 (1.02)
Weak supplier/creditor relationships	22 (53.7)	3.44 (0.98)

*Severity rated on 5-point scale: 1=Not severe, 5=Extremely severe

Source: Primary Data (2024)

The analysis of resource access barriers revealed that movement restrictions imposed the most universal constraint, affecting 95.1% of businesses with a mean severity rating of 4.49. These restrictions prevented businesses from physically accessing suppliers, banks, government offices, and customers, while limiting employees' ability to reach workplaces (Bukuluki et al., 2020). Even when businesses had financial resources or established relationships, movement restrictions created logistical barriers that disrupted resource flows.

Insufficient financial capital or savings affected 92.7% of businesses with the highest severity rating (M=4.56), reflecting rapid depletion of financial reserves during forced closures while fixed obligations continued. This barrier cascaded into inability to access other resources, as businesses lacked funds to purchase inventory, retain employees, acquire technology, or invest in adaptation strategies (Bartik et al., 2020). High costs of resources and inputs affected 87.8% of businesses (M=4.34), as supply scarcity, transportation challenges, and supplier price increases made available resources unaffordable even when businesses had some access to capital.

Supply chain disruptions impacted 85.4% of businesses with substantial severity (M=4.27), manifesting as unavailable inventory, delayed deliveries, broken supplier networks, and loss of import channels for businesses reliant on international supply chains (Shen et al., 2020). Credit denial or unaffordable loan terms affected 82.9% of businesses (M=4.39), with financial institutions requiring collateral beyond most businesses' capacity, charging prohibitive interest rates to reflect perceived risk, or simply refusing to lend to small businesses deemed high-risk during uncertain times.

Information gaps about government support programs affected 80.5% of businesses (M=4.02), with business owners unaware of available assistance, confused about eligibility criteria, or unable to navigate application processes (Lakuma et al., 2020). This information asymmetry meant that even when resource support existed, many businesses could not access it. Lack of digital and technological capacity constrained 75.6% of businesses (M=3.93), limiting their ability to shift to online sales, utilize digital payment systems, or access virtual support services that became primary resource channels during the pandemic (Papadopoulos et al., 2020).

Table 5: Financial Performance by Resource Access Level (n=41)

Financial Indicator	Adequate Resource Access (n=11) Mean	Poor Resource Access (n=30) Mean	Difference (%)	t-value	p-value
Revenue retention rate (%)*	68.4	41.2	+66.0	5.89	0.000**
Profit margin (%)	12.3	3.7	+232.4	6.74	0.000**
Cash flow adequacy (weeks)	4.8	1.3	+269.2	7.21	0.000**
Employee retention (%)	87.6	61.3	+42.9	4.92	0.000**
Business continuity**	100.0	73.3	+36.4	-	-

*Percentage of pre-pandemic revenue maintained during pandemic **Percentage of businesses that remained operational throughout pandemic ***Significant at p < 0.01

Source: Primary Data (2026)

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Table 5 presented compelling evidence of the strong positive relationship between resource access and financial performance during the COVID-19 pandemic. Businesses with adequate resource access maintained an average of 68.4% of their pre-pandemic revenue levels, compared to only 41.2% for businesses with poor resource access—a statistically significant difference of 66.0% ($t=5.89, p=0.000$). This finding demonstrated that resource availability directly enabled businesses to sustain operations, serve customers, and generate income despite pandemic constraints (Thorgren & Williams, 2020).

The disparity in profit margins proved even more dramatic, with adequately-resourced businesses maintaining 12.3% profit margins compared to merely 3.7% for resource-constrained businesses—a 232.4% difference that was highly significant ($t=6.74, p=0.000$). This finding indicated that resource access not only supported revenue generation but also enabled cost management, operational efficiency, and value creation that translated into profitability (Fairlie & Fossen, 2021). Resource-constrained businesses operated on survival margins with minimal financial cushion, while resource-adequate businesses maintained healthier financial positions.

Cash flow adequacy showed perhaps the most striking disparity, with well-resourced businesses maintaining an average of 4.8 weeks of cash reserves compared to only 1.3 weeks for resource-poor businesses a 269.2% difference ($t=7.21, p=0.000$). This gap reflected how resource access enabled businesses to build or preserve financial buffers that provided resilience against revenue fluctuations and unexpected expenses (Cowling et al., 2020). The extremely low cash reserves of resource-constrained businesses (1.3 weeks) left them vulnerable to immediate insolvency from any additional shock.

Employee retention rates demonstrated significant differences, with 87.6% retention among adequately-resourced businesses compared to 61.3% for resource-poor businesses ($t=4.92, p=0.000$). Access to financial resources enabled businesses to maintain payroll, while access to work opportunities and protective equipment allowed employees to continue working safely (Adams-Prassl et al., 2020). Resource-constrained businesses faced forced workforce reductions that further impaired operational capacity and competitiveness.

Notably, all businesses with adequate resource access (100%) remained operational throughout the pandemic period, compared to only 73.3% of resource-constrained businesses. This 36.4 percentage point difference in business continuity illustrated that resource access represented a critical determinant of business survival during severe crises, with resource adequacy serving as a protective factor against permanent closure.

Table 6: Correlation Between Specific Resources and Financial Performance (n=41)

Resource Type	Revenue Retention	Profitability	Cash Flow	Employee Retention	Overall Performance
Financial capital	0.742**	0.798**	0.823**	0.689**	0.812**
Human resources	0.621**	0.587**	0.543**	0.756**	0.641**
Physical resources	0.693**	0.712**	0.681**	0.598**	0.705**

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Information resources	0.512**	0.498**	0.476**	0.531**	0.529**
Technological resources	0.687**	0.643**	0.601**	0.579**	0.677**
Relational resources	0.589**	0.561**	0.612**	0.643**	0.601**
Overall Resource Access	0.781	0.763	0.791	0.726	0.815

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

Source: Primary Data (2026)

The Pearson correlation analysis revealed strong positive correlations between overall resource access and all financial performance indicators. The strongest correlation existed between overall resource access and the composite financial performance index ($r = 0.815$, $p < 0.01$), indicating that approximately 66.4% of variance in overall financial performance could be explained by resource access levels ($r^2 = 0.664$). This finding provided robust statistical confirmation that resource availability constituted a primary determinant of business financial outcomes during the COVID-19 pandemic (Thorgren & Williams, 2020).

Examining specific resource categories, financial capital demonstrated the strongest correlations with financial performance indicators, particularly with cash flow adequacy ($r = 0.823$) and profitability ($r = 0.798$). This pattern confirmed that financial resources served as the most critical resource category, enabling businesses to access other resources, maintain operations during revenue shortfalls, and invest in adaptation strategies (Brown & Rocha, 2020). Physical resources also showed strong correlations across performance indicators ($r = 0.681$ to 0.712), as inventory availability and equipment functionality directly enabled production and sales activities.

Technological resources demonstrated substantial correlations with revenue retention ($r = 0.687$) and overall performance ($r = 0.677$), suggesting that digital capabilities became increasingly important for maintaining customer access and business operations during physical distancing requirements (Papadopoulos et al., 2020). Businesses with better technology access could shift to online sales, utilize digital marketing, and maintain customer relationships remotely, compensating for lost foot traffic.

Human resources showed the strongest correlation with employee retention ($r = 0.756$), as expected, but also demonstrated significant relationships with revenue and profitability, indicating that workforce availability directly impacted operational capacity and financial outcomes (Adams-Prassl et al., 2020). Relational resources correlated moderately with all performance indicators ($r = 0.561$ to 0.643), reflecting how business networks facilitated resource sharing, customer retention, and collaborative problem-solving during crises (Herbane, 2010).

Information resources showed the weakest correlations among resource categories ($r = 0.476$ to 0.531), though still statistically significant. This suggested that while market intelligence and knowledge were valuable, they proved less

immediately critical than tangible resources like capital, inventory, and technology for sustaining financial performance during acute crisis periods.

Table 7: Resource Acquisition Strategies and Their Effectiveness (n=41)

Resource Acquisition Strategy	Businesses Using Strategy n (%)	Success Rate* (%)	Mean Resources Secured** (SD)
Drew on personal/family savings	37 (90.2)	73.0	2.89 (0.96)
Negotiated supplier credit terms	28 (68.3)	64.3	2.57 (1.02)
Applied for government support programs	19 (46.3)	31.6	1.68 (1.15)
Sought bank/MFI loans	26 (63.4)	38.5	1.92 (1.08)
Mobilized community/group resources	15 (36.6)	66.7	2.47 (0.92)
Leveraged business networks/partnerships	22 (53.7)	68.2	2.73 (0.88)
Adopted digital platforms (free/low-cost)	14 (34.1)	78.6	3.14 (0.77)
Restructured workforce (rehiring/skills)	24 (58.5)	70.8	2.83 (0.87)

*Percentage of businesses using strategy that successfully secured needed resources **Resources secured rated on 5-point scale: 1=Very few, 5=All needed resources

Source: Primary Data (2024)

The analysis of resource acquisition strategies revealed that drawing on personal and family savings was the most widely employed strategy (90.2%) with a relatively high success rate (73.0%) in securing immediate financial resources. However, qualitative data indicated this strategy was inherently unsustainable and depleted household financial security, leaving business owners vulnerable to personal financial crises (Bartik et al., 2020). The mean resources secured (M=2.89) indicated moderate adequacy that provided temporary relief but insufficient resources for comprehensive business adaptation.

Adopting digital platforms emerged as the most effective strategy despite relatively low adoption rates (34.1%). Among businesses that pursued this strategy, 78.6% successfully secured needed resources (primarily technological and market access resources) with the highest mean adequacy rating (M=3.14). This finding suggested that digital transformation, while requiring initial investment and technical capacity, provided sustainable pathways to resource access and business continuity (Papadopoulos et al., 2020). Businesses utilizing free social media platforms,

WhatsApp Business, mobile money, and basic e-commerce tools maintained customer connections and revenue streams despite physical restrictions.

Leveraging business networks and partnerships demonstrated strong effectiveness (68.2% success rate, M=2.73), as relationships with other business owners, industry associations, and supply chain partners facilitated resource sharing, collective purchasing, information exchange, and mutual support (Herbane, 2010). Businesses embedded in strong relational networks accessed resources unavailable through formal channels and received emotional support that sustained entrepreneurial motivation.

Workforce restructuring, including strategic rehiring of critical employees and skills-based retention decisions, proved reasonably effective (70.8% success rate, M=2.83) in maintaining human resource capacity within financial constraints (Adams-Prassl et al., 2020). Business owners cited complex application procedures, stringent eligibility criteria, insufficient program funding, and political favoritism as barriers that prevented equitable access (Lakuma et al., 2020). Even businesses that received government support reported that resources were inadequate relative to their needs.

Bank and microfinance institution loans were attempted by 63.4% of businesses but achieved only 38.5% success rates (M=1.92), as tightened lending criteria, collateral requirements, risk aversion, and high interest rates excluded most small businesses from formal credit markets (Cowling et al., 2020). This credit market failure during the crisis highlighted the need for alternative financing mechanisms designed specifically for small business crisis response.

Table 8: Government Resource Support Programs - Official Assessment (n=15)

Support Program	Implemented	Target Businesses	Actual Reach (Est. %)	Resources Provided	Main Challenges
Emergency credit guarantee scheme	Yes	500	22%	Loan guarantees	Limited participating banks, slow processing
Tax deferral program	Yes	All eligible	41%	Cash flow relief	Poor communication, complex procedures
Business recovery grants	Yes	200	15%	Cash grants	Insufficient funding, favoritism allegations
Digital transformation support	No	-	-	-	Not implemented due to budget constraints
Working capital loans (subsidized)	Yes	300	19%	Low-interest loans	Collateral requirements, risk aversion

Skills training/capacity building	Yes	All interested	28%	Technical knowledge	Low participation, timing issues
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Source: Primary Data (2026)

Government officials acknowledged significant gaps between program design and implementation effectiveness. The emergency credit guarantee scheme, intended to encourage bank lending to small businesses by reducing lender risk, reached only 22% of its 500-business target. Officials attributed low uptake to limited participation by commercial banks that maintained conservative lending practices despite government guarantees, bureaucratic approval processes that delayed loan disbursements, and business owners' reluctance to take on debt during uncertain times (Granja et al., 2020).

The tax deferral program achieved the highest reach at 41% of eligible businesses, providing temporary cash flow relief by delaying tax obligations. However, officials noted that many businesses remained unaware of the program, application procedures proved burdensome for businesses without accounting systems, and deferrals merely postponed obligations rather than reducing tax burdens (Lakuma et al., 2020).

Business recovery grants reached only 15% of the 200-business target, with officials candidly acknowledging insufficient budget allocations relative to need, allegations of political favoritism in recipient selection, and prioritization of connected businesses over genuinely distressed enterprises (Ssenoga et al., 2021). The limited reach and perceived inequity of grant distribution undermined program effectiveness and business community trust in government support.

Critically, no digital transformation support program was implemented despite officials recognizing technology access as a major constraint. Budget limitations, competing priorities, and implementation capacity gaps prevented development of subsidized technology access, digital skills training, or e-commerce platform support that could have enhanced business resilience (Papadopoulos et al., 2020).

Working capital loans at subsidized interest rates reached only 19% of the target, hampered by collateral requirements inappropriate for small businesses, risk-averse lending by participating financial institutions, and inadequate program funding (Brown & Rocha, 2020). Skills training and capacity building programs achieved 28% reach but suffered from low business participation due to timing conflicts with operational demands, skepticism about practical applicability, and focus on generic rather than crisis-specific competencies.

Government officials emphasized that coordination challenges among implementing agencies, delayed policy approvals, insufficient funding allocations, and limited understanding of small business resource needs undermined support program effectiveness. Several officials recommended more substantial funding, simplified access procedures, direct resource delivery rather than intermediated programs, and genuine consultation with business owners in program design for future crisis responses.

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6.0 Conclusions

This study conclusively established a strong positive relationship between access to resources during the COVID-19 pandemic and the financial performance of small-scale businesses in Kakoba Division, Mbarara City. The substantial correlation between resource access and financial performance ($r = 0.815$, $p < 0.01$) demonstrated that resource availability constituted a critical determinant of business resilience, with adequately-resourced businesses maintaining 66.0% higher revenue retention, 232.4% higher profitability, and 100% business continuity compared to resource-constrained counterparts. Financial capital emerged as the most critical resource category, though technological, physical, human, and relational resources also significantly influenced performance outcomes. Severe resource access constraints affected 73.2% of businesses, stemming from insufficient pre-pandemic resource accumulation, credit market failures, supply chain disruptions, and inadequate government support programs (Thorgren & Williams, 2020; Cowling et al., 2020). These findings underscored that enhancing small business crisis resilience requires comprehensive resource mobilization support systems, accessible financing mechanisms, and proactive resource capacity building during stable periods.

7.0 Recommendations

Government should create dedicated small business resource support mechanisms that activate automatically during declared crises, providing immediate access to working capital grants, inventory financing, equipment loans, and technology subsidies without complex application procedures. Pre-registration systems should be developed during normal periods to enable rapid resource deployment during emergencies (Brown & Rocha, 2020).

Financial institutions, with central bank support, should develop crisis-responsive lending products featuring flexible collateral requirements, revenue-based rather than asset-based lending, loan payment grace periods during disruptions, and subsidized interest rates. Credit guarantee schemes should be substantially expanded with automatic triggers during economic crises (Cowling et al., 2020).

Government and development partners should provide subsidized access to digital platforms, e-commerce solutions, mobile payment systems, and digital marketing tools, coupled with practical training programs tailored to small business needs. Free or low-cost technology packages should be made available to resource-constrained businesses (Papadopoulos et al., 2020).

Business development organizations should implement training programs focused on resource reserve building, diversified resource acquisition strategies, supply chain resilience, and crisis resource management. Financial literacy programs should emphasize emergency fund creation and resource efficiency during stable periods (Herbane, 2010).

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