HIGH FUEL PRICE AND PERFORMANCE OF ORGANIZATIONS: A CASE STUDY OF NILE PLASTICS COMPANY LIMITED IN UGANDA

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A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF THE BACHELOR OF SCIENCE IN OIL AND GAS MANAGEMENT OF UGANDA CHRISTIAN UNIVERSITY

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UGANDA CHRISTIAN UNIVERSITY
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DECLARATION

I AMBROSE OKELLO, confirm that the proposal presented herein is entirely my original work and has not been previously submitted to any other academic institution for recognition. I have taken all necessary measures to ensure that all sources utilized in this work have been appropriately acknowledged and credited for your evaluation. It is imperative to note that any violation of ethical standards will result in appropriate disciplinary action.

Signature  .

Date 07-09-2025

SUPERVISOR'S APPROVAL

This is to certify that this report is compiled under my supervision. It is now ready for submission to the University Board of Examiners for review.

Signature  Date 9th 9 2025

Mrs. Nantongo Monicah

DEDICATION

It's hard to express the immense appreciation I have for my dear family and friend’s constant support and encouragement during my academic endeavors. They have been there for me every step of the way, always ready to lend a helping hand or a listening ear. I am truly blessed to have them in my life whether it was early on or later in my journey, they have always been there for me, willing to lend a helping hand or ear to listen. Their unwavering presence in my life is a true blessing and has provided me with the strength and nourishment I need to succeed. I will always hold the cherished memories we've made together close to my heart.

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LIST OF ABREVIATIONS

VAT	Value Added Tax
OPEC	Organization of the Petroleum Exporting Countries
OPIS	Oil Price Information Service
(U) LTD	(Uganda) Limited
t/a	Trading As
FDI	Foreign Direct Investment
GCF	Gross Capital Formation
SDGs	Sustainable Development Goals
US$	United States Dollar
GDP	Gross Domestic Product
COVID-19	Coronavirus Disease 2019
SD	Standard Deviation
M	Mean
N	Number of Respondents (Sample Size)
%	Percentage
NO.	Number
LTD	Limited
API	American Petroleum Institute
BOE	Barrel of Oil Equivalent

BBL	Barrel (oil volume unit)
E&P	Exploration and Production
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
NGL	Natural Gas Liquids
CAPEX	Capital Expenditure
OPEX	Operating Expenditure
ROI	Return on Investment
IRR	Internal Rate of Return
DCF	Discounted Cash Flow

Abstract

This study explores the impact of escalating fuel prices on organizational performance, using Nile Plastics Company Limited in Uganda as a case study. The research examines how high fuel costs influence key performance indicators, including operational expenses, sales volume, profitability, and market share. A descriptive, cross-sectional design was employed, with quantitative data collected via structured questionnaires distributed to staff across departments within the company. Findings indicate that high fuel prices driven by geopolitical tensions, fluctuations in exchange rates and elevated taxation substantially increase operational costs, disrupt supply chains, and erode profitability and sales performance. Mitigation strategies such as efficient route planning, bulk purchasing, and cost-cutting measures are implemented but are largely reactive and insufficient. The study recommends more proactive measures, including government tax incentives, investment in alternative energy sources, and enhanced contingency planning by organizations. These insights are significant for policymakers and businesses in the oil, gas, and manufacturing sectors aiming to strengthen resilience against fuel price volatility.

Keywords: fuel prices, organizational performance, operational costs, supply chain, mitigation strategies

CHAPTER ONE

GENERAL INTRODUCTION

1.1 CHAPTER ONE: INTRODUCTION

1.1 Introduction

This chapter presents the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study, justification of the study, and the significance of the study.

1.2 Background of the Study

Fuel is a major input to production, and today it presents a significant global dilemma. Fuel prices, which were already rising as global economies recovered from the Coronavirus pandemic, surged further after the Ukraine war pushed up oil prices. This surge caused inflation and economic hardship for many businesses and consumers. Some industries, such as transportation, were particularly hard hit. Governments sought ways to mitigate rising fuel prices. Pump prices were determined by crude oil prices and the dollar exchange rate because crude oil was traded in dollars (IMF, 2022)).

Russia, one of the world's major oil exporters, was targeted by economic and trade sanctions. After Brent crude oil, a global benchmark, hit a near 14-year high of $139 a barrel during the early stages of the conflict, prices fell back to around $100. However, prices rose again to $115 on Tuesday, driven by the European Union discussing a ban on Russian oil purchases, which countries in the bloc depended on.

Countries such as the US and Canada banned Russian oil imports. Petrol wholesale prices for retailers stood at £1.30 per liter for petrol and £1.48 for diesel. With high prices reducing retailers' margins and 20% VAT being added, affordability for consumers became a major challenge. The ban on Russian oil imports meant other suppliers had to take up the slack, often leading to higher prices due to reduced competition. This directly impacted the cost of petrol and diesel for retailers, who passed these costs to consumers. This strained consumers relying on cars for

commuting to work, school, and other commitments. Therefore, finding ways to reduce the cost of petrol and diesel was essential to ensure affordability.

The key concepts in this study were “high fuel prices,” the independent variable, and “performance of organizations,” the dependent variable. The study aimed to determine how high fuel prices affected organizations' performance by evaluating how fuel prices influenced operational costs, productivity, and other factors contributing to overall organizational performance. "High fuel prices" referred to the amount of money a company spent on fuel to maintain operations, while organizational performance referred to how well the company functioned despite high fuel prices.

In late 2021, most countries faced price dispersion caused by the lifting of COVID-19 restrictions. The pandemic had pervasive and devastating effects on the performance of organizations, lifestyles, relationships, and livelihoods. Companies made difficult decisions, including cost-cutting measures to survive, leading to decreased demand for products and services in many sectors. This caused reduced consumer spending and increased unemployment. The economic impact continued globally. In May 2023, consumer spending, measured by credit card transactions, declined in real terms by over 6 percent compared to the previous year.

The current increase in oil demand was primarily due to the removal of COVID-19 quarantine and restriction measures worldwide. This led to a sudden increase in transportation as people traveled more for business and leisure. The manufacturing sector also ramped up production, further increasing oil demand. Additionally, an oil price war erupted after disputes between Russia and the Saudi-led Organization of Petroleum Exporting Countries (OPEC). OPEC sought to cut production to match reduced demand and the global economic downturn, while Russia refused cooperation (Peter Gale, October 27, 2020).

Russia’s refusal to reduce production quotas undermined shale oil extraction in the United States. According to Rosneft, a Russian state-owned petroleum company, if Russia had accepted production cuts to maintain prices, American shale oil would have gained more market share, which would have been unfavorable for Russian oil. However, the failure of Saudi Arabia and Russia to agree on production cuts exacerbated the crisis (OPIS, 2020). Russia’s oil industry suffered greatly from market instability, and the country’s economy was severely impacted by falling oil prices. Though Saudi Arabia and Russia later agreed to production cuts, the agreement came too late to prevent damage to Russian oil producers.

Sales performance referred to the extent to which a company's sales functions contributed to its corporate objectives (Dickinger, 2019). Corporate objectives were the goals set by a company, which could be short-term or long-term and typically quantifiable. For example, a company may aim to increase sales profit by 10% in the coming year, and sales performance would be evaluated based on whether this target was met. Organizational performance on sales was based on unprocessed data comparing target sales figures with actual sales. It could also reflect customer loyalty; high customer loyalty often indicated strong sales performance (Leung & Law, 2019). Aksu & Tarcan (2019) suggested that performance was multi-faceted and influenced by diverse factors. Clark (2018) introduced the marketing outcome construct to relate marketing practices to results. According to Minculete & Olar (2018), organizational sales performance could be evaluated through sales volume analysis, marketing cost analysis, and profitability analysis, typically by studying profit and loss statements by product lines, territories, and key accounts. However, other factors such as employee satisfaction, customer satisfaction, and product or service quality were also important in evaluating performance and should not be overlooked.

Nile Plastics Company, located in Kampala city center, contributed significantly to the city's tax base and business activity. The company employed many local people, supporting the local economy. It had been a major economic player in Kampala for over twenty years, with its success illustrating the city's growth potential. Rapid urban growth continuously increased demand for its products, boosting revenue (Gou, 2022). The company was committed to community investment through job training and educational opportunities, fostering a positive working environment and a culture of innovation. Despite COVID-19 restrictions in 2020 affecting sales and production, the company remained operational and supported employees and the community financially during the pandemic, demonstrating its dedication.

The company's fuel suppliers since its launch in Kampala included: VIVO Energy (U) LTD – SHELL, Total Nateete, HASS Nalukolongo, STABEX International Limited; Meru Petroleum Ndeeba, NILE Energy Limited or GAZ – Rubaga, OIL Energy (U) Limited - Nateete. All suppliers were near the production center. The company sourced fuel locally, reflecting a commitment to the local economy.

1.3 Problem Statement

The transition to fully online models during the COVID-19 pandemic posed challenges for most organizations, as many employees were unprepared. This affected transactions and interactions

among stakeholders. The outbreak of the Ukrainian war with Russia caused crude oil shortages and triggered high fuel prices, which negatively impacted organizations by increasing transport and energy costs, contributing to inflation (Guénette, Ken worthy, & Wheeler, 2022). To cover increased operational costs, companies raised product prices, disproportionately affecting poor rural communities, who were the main consumers of many manufacturers.

There has been deterioration in terms of trade, a fall in purchasing power for firms, and declining household living standards in Uganda. Many small factories risked closure due to increased input costs. The long-term economic impact could be devastating, potentially leading to widespread poverty and reduced quality of life.

Without interventions, organizations faced challenges affecting financial performance, growth, and sustainability, including increased operational costs and supply chain disruptions. This report suggested ways organizations could optimize operations, manage costs, and explore alternative strategies. Collaborative efforts among governments, industries, and stakeholders were essential to address these challenges effectively.

1.4 Purpose of the Study

This study examined the impact of high fuel prices on organizations' performance, using Nile Energy Uganda Limited as a case study.

1.5 Objectives of the Study

To identify the causes of high fuel prices.

To establish the relationship between high fuel prices and organizational performance.

To identify strategies to mitigate the effects of high fuel prices.

1.6 Research Questions

1. What were the causes of high fuel prices?
2. What was the relationship between high fuel prices and organizational performance?
3. What measures could mitigate the impact of high fuel prices on organizations?

1.7 Scope of the Study

1.7.1 Subject Scope

The study examined the impact of high fuel prices on organizational performance. It included a survey of oil and gas organizations and analyzed strategies used to mitigate high fuel prices.

1.7.2 Geographical Scope

The study was conducted in Nalukolongo, Kampala, where about three-quarters of factories in the Rubaga division central region where it is located. These factories represented diverse production processes, and their workers were well-versed in production, making them an ideal sample group.

1.7.3 Time Scope

Data were collected from February 2022 to the present, using public sources including social media and publications.

1.8 Significance of the Study

Understanding high fuel prices provided important insights that marketers could use to improve sales and production. The findings could identify areas for cost reduction, efficiency improvement, and process optimization, helping companies compete and survive during fuel price crises.

The findings may also benefit policymakers and government agencies focused on energy use by offering alternative strategies to address Uganda's fuel price crisis, potentially reducing energy costs and creating employment opportunities. Ugandan citizens might benefit through reduced energy expenses.

Future researchers may build upon these findings, contributing to existing knowledge. The study also enhanced the researcher's skills and understanding, applicable to similar future research projects. The knowledge gained can inform policy and decision-making in both public and private sectors.

The study fulfilled the requirements for the researcher's bachelor's degree. Sharing the findings may inspire further advances in the field. Additionally, the research deepened understanding of

economic and environmental factors influencing natural resource availability, aiding the researcher's career decisions.

1.9 Conceptual Framework

In this study, we look at several key factors that affect how well organizations perform. Political unrest, conflicts, or sanctions can interfere with operations and delay project completion. Shifts in supply and demand influence how much market share organizations gain or lose. Economic trends such as inflation, recessions, or growth directly impact profitability and financial health. Taxes or subsidies change operating costs or provide financial support, affecting budgets. Fluctuating fuel prices affect customer loyalty because they influence costs for organizations and consumers. Changes in exchange rates affect how quickly organizations can import or export goods, which in turn affects supply chain responsiveness. Finally, differences in transportation costs and local taxes across regions impact how fast and efficiently goods are delivered. To measure performance, we use indicators like how fast the supply chain responds, changes in market share, profit margins, financial constraints, customer retention, logistics efficiency, and how long projects take to complete. Each factor is expected to influence one or more of these indicators and together they form the backbone of our study's framework.

Figure 1 showing Conceptual Framework showing the relationship of high fuel price as independent variable

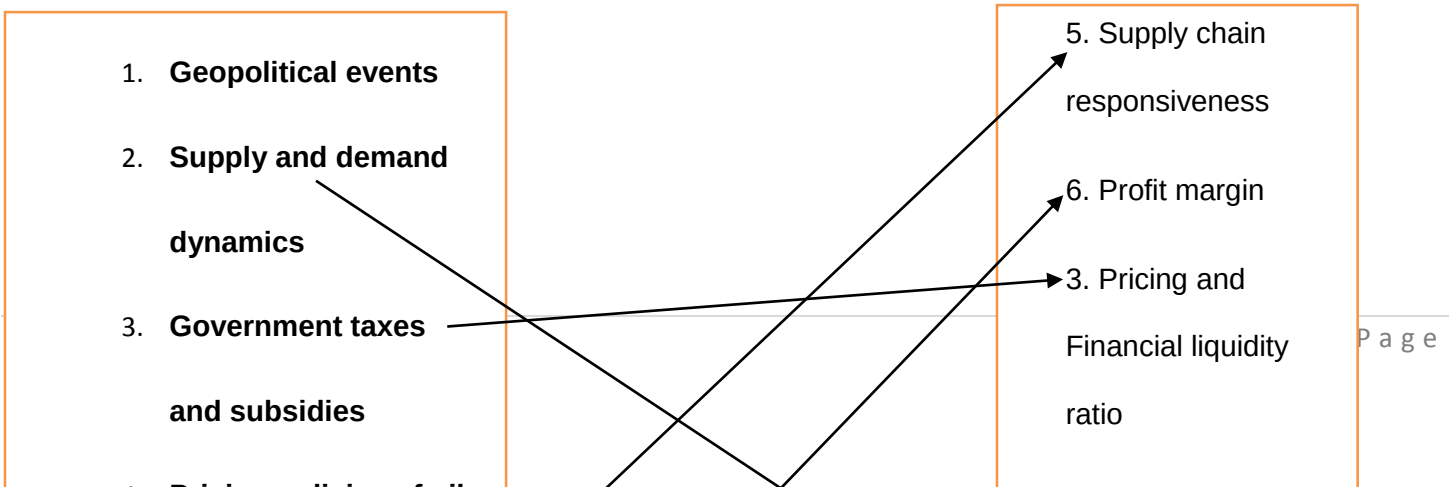
Against performance of organization

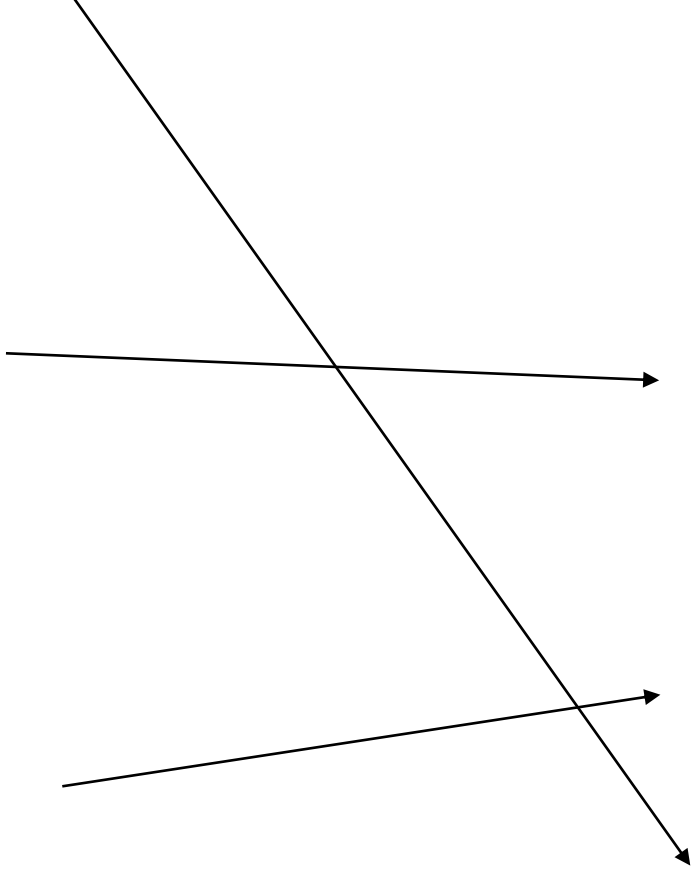
High fuel price

Independent Variables

performance of organizations

Dependent Variables





CHAPTER TWO:

LITERATURE REVIEW

2.1 Introduction

This chapter presents a conceptual review of the literature describing key terms and the relationships between variables. It includes definitions and discussions of high fuel prices, sales volume, and sales performance, as well as explanations of how high fuel prices impact sales

performance. Additionally, it discusses potential strategies to mitigate the impact of fuel prices and concludes with recommendations for further research.

2.2 High Fuel Price

Oil prices affect industrial production through different channels. On the supply side, a rise in oil prices increases production costs and leads to a contraction in output; this contraction further increases due to reduced investment (Brown and Yokel, 2002). On the demand side, increased production costs translate into higher product prices, causing aggregate productivity to fall (Hunt et al., 2001). Another important channel is the wealth effect, transferring income from oil-importing to oil-exporting countries, reducing aggregate demand in oil-importing countries.
An increase in oil prices also increases demand for money; when monetary authorities cannot meet this demand, interest rates rise, reducing economic growth (Brown and Yokel, 2002). Bernanke et al. (1997) acknowledged that the combination of tightening monetary policy and oil price shocks depressed the real economy by discouraging investment.
Other important determinants of organizational performance in industrial production include exchange rate, trade openness, foreign direct investment (FDI), interest rate, gross capital formation (GCF), and labor force. High fuel prices affect economic growth through import and export channels. Export enhances economic growth by increasing competition and returns to scale, while import promotes growth by allowing economies to access advanced technologies (Krueger, 1978).
Exchange rate fluctuations affect output levels: depreciation boosts the price of foreign goods relative to domestic goods, increasing competitiveness and output (Dornbusch, 1988). However, some studies argue depreciation raises input costs and reduces output in developing countries (Hirschman, 1949; Krugman, 1999).

Historically, high oil prices between the early 2000s and 2014 triggered many studies into the effects of fuel prices on organizations and households. Fuel price indicators often cover exposure (average fuel expenditure), sensitivity (income levels), and adaptive capacity (viability of alternatives to vehicle use). Accessibility to alternative transport modes reduces oil vulnerability even where car travel is high (Leung et al., 2015; 2018; Rendall et al., 2014).

2.3 Sales Performance

Sales refer to transactions where a buyer receives goods or services in exchange for money (Hutt & Speh, 2018). Every manufacturer or supplier must improve sales performance, reduce selling costs, and ensure survival (Yasmin et al., 2018). Analyzing sales performance allows managers to optimize future sales (Ainscough, 2016).

Sales performance combines sales effectiveness—winning at each customer buying stage—and sales efficiency—the speed of sales tasks (Levenburg & Magal, 2014). Sales effectiveness requires collaboration between sales and marketing to improve knowledge, messaging, skills, and strategies (Aksoy, 2019). Sales efficiency involves identifying and automating weak sales processes (Kotler, Kartajaya & Setiawan, 2017; Treace, 2012).

2.4 Sales Volume

Sales volume is the core interest of any sales-based organization (Kotler & Keller, 2016). Positive sales growth indicates progress toward sales goals (Hsu & Tsou, 2017). The number of qualified leads and new sales opportunities critically influence sales management.
Average purchase value supports sales growth strategies, revenue projections, and forecasting. Sales volume may be monitored by product or region (Aksu & Tarcan, 2019). Break-even sales volume indicates the minimum sales needed to avoid loss.

2.5 Market Share

Market share is the percentage of total sales a company generates over a period (Cop & Oyen, 2018). It can be measured by value or volume. Higher market share indicates stronger consumer preference, lower selling effort, and higher profitability (Leung & Law, 2019). Increased market share provides cost advantages and growth opportunities (McIntyre & Virzi, 2018).

2.6 Profitability

Profitability is a company's ability to generate revenues exceeding sales expenses. Sales profitability is evaluated through profit margins, indicating overall health and sales strategy effectiveness (Chaffey & Smith, 2019; Reid, Smith, & McCloskey, 2018). Analyzing profit margins guides decisions on promotions and commissions.

2.7 Relationship between High Fuel Prices and Organizational Performance

The manufacturing industry has faced disruption due to changing consumer habits, new competitors, and store consolidations. Demand for motor fuel has decreased due to improved fuel efficiency, electric vehicles, and ride-sharing, worsened by COVID-19 restrictions, causing a decline of 60-80% in sales volume for fuel retailers.

Ongoing production cuts by OPEC+ and Russia could continue rising fuel prices, impacting organizational profitability and consumer behavior. In Uganda, increased operational costs caused disruptions in trade, shortages of raw materials, and job losses, worsening poverty (Ministry of Finance, 2021).

The fuel crisis threatens Africa's economic growth, with oil-importing countries potentially losing billions in revenue and requiring substantial subsidies to manage costs. This may hinder progress on Sustainable Development Goals and the Africa Agenda 2063.

Empirical studies show mixed effects of oil prices on industrial production in developing countries. Wang and Zhang (2014) found significant impacts in China, while Ang et al. (2006) found insignificant effects in Southeast Asia. Reyes and Quiros (2005) showed oil prices negatively affected stock returns and industrial production, with stronger effects on stock prices.

No panel data study has focused on Uganda's industrial sector. This study aims to fill that gap by analyzing Nile Plastics Limited using panel data, providing insights to guide policy and support the local economy.

2.8 Strategies to Mitigate the Effects of High Fuel Prices

Organizations have increasingly adopted diverse strategies to reduce the adverse impacts of rising fuel costs on performance. One commonly applied approach is financial hedging and structured procurement. Companies in fuel intensive sectors often use bulk purchasing, long-term supply agreements, or derivative contracts to stabilize cash flows and shield those onselves from price volatility (Berghöfer, 2014; Barrachina Fernández, 2024). These strategies enhance predictability in budgeting and investment, though they require financial expertise to manage effectively.

Another strategy involves operational optimization, particularly in logistics and distribution. Empirical studies indicate that route optimization, load consolidation, and speed management significantly lower fuel use, with savings ranging from 3–10% across fleets (Ericsson, 2006; Taskar et

al., 2023). For manufacturing firms with delivery operations, such as Nile Plastics, these strategies can reduce recurrent costs while improving service efficiency.

Technical measures such as energy efficient machinery and preventive maintenance also mitigate fuel cost pressures. Research highlights that firms adopting systematic maintenance programs and upgrading to energy-saving equipment realize both fuel cost reductions and productivity gains (Schmitt, 2025). These interventions often provide attractive returns on investment when fuel prices are high.

Longer-term solutions involve transitioning to renewable and alternative energy sources. In East Africa, firms have increasingly integrated solar power into operations, adopted biomass for heat processes, and explored electrification of transport fleets. Case studies demonstrate that solar hybrid systems reduce dependence on diesel generators while offering long-term cost savings despite high upfront capital requirements (Chisika et al., 2021; Gicha, 2024).

Finally, organizations implement structural and policy-oriented strategies. Internally, lean manufacturing and employee training on energy conservation reduce waste and promote efficient fuel use (Zhang, 2024). Externally, firms may lobby governments for subsidies or temporary tax relief to cushion against volatile markets, particularly in developing economies where energy access remains a constraint (World Bank, 2025; International Energy Agency [IEA], 2024). Collectively, these strategies strengthen organizational resilience and ensure business continuity in the face of high fuel prices.

2.9 Research Gap

Although previous studies have examined the long-term effects of oil prices on industrial production in various countries, there has been no comprehensive panel data study focusing specifically on Uganda's manufacturing sector. Uganda's unique economic, social, and policy context means that findings from other countries may not fully apply. The dynamic nature of fuel price fluctuations and their direct impact on manufacturing performance in Uganda remain underexplored.

Moreover, this gap is significant in light of Uganda's national campaign "Buy Uganda, Build Uganda" (BUBU), led by the Ugandan Manufacturers Association and supported by the Ministry of Finance.

The BUBU initiative promotes local production and consumption to reduce import reliance and stimulate economic growth. Persistent high fuel prices threaten this campaign by increasing production and transport costs, raising prices of locally made goods, which affects affordability for final consumers and risks undermining the initiative's goal of self-reliance.

Therefore, understanding how high fuel prices affect organizational performance in Uganda's manufacturing sector is crucial. Addressing this gap will help identify strategies to mitigate fuel price shocks, enabling industries to remain competitive and support the BUBU vision. This study aims to provide empirical evidence to inform policymakers, manufacturers, and stakeholders on protecting and sustaining Uganda's industrial growth amid volatile fuel markets.

CHAPTER THREE

3.1 Introduction

This chapter presents the methodology used in the study, covering the research design, area of study, study population, sample size and selection, data collection methods, data collection instruments, research procedure, data quality control, measurement of variables, ethical

considerations, and study limitations. The methodology was designed to ensure that the study objectives were met while maintaining ethical standards. Data was analyzed and interpreted rigorously to produce accurate and reliable findings. The resulting report is intended to provide a clear understanding of the research results, their implications, and recommendations for action. The detailed methodology also ensures that the study can be replicated and its results validated by other researchers.

3.2 Research Design

The study adopted a cross-sectional research design, which involves collecting data from the study population or a subset of it at a single point in time. This approach was chosen because it allows for the examination of the relationship between fuel prices and organizational performance within a defined period without the need for long-term tracking.

3.3 Area of Study

The research was conducted in a place called Nalukolongo Industrial Area, located along Masaka Road in Kampala City. This area was selected because it has a high concentration of fuel stations and manufacturing industries that face challenges related to production inputs and sales. Data collection involved direct observation, interviews, and surveys, supplemented with secondary sources such as reports and published studies. The area's mix of industrial activity and fuel-dependent operations provided an ideal context for investigating the study's objectives.

3.4 Study Population

The study population comprised top management, production staff, marketing and sales staff, accounts and finance staff, and machine attendants/casual laborers from Nile Plastics Industry Limited and fuel stations located within the Nalukolongo industrial area.

3.5 Sample Size and Selection

Using Krejcie and Morgan's (1970) small sample technique, a sample size of 40 respondents was determined from a total population of 45 individuals. Proportional allocation was used to ensure that each category was adequately represented.

Two sampling techniques were employed:

Simple random sampling, to give each individual an equal chance of being selected

Purposive sampling, to target key individuals with in-depth knowledge relevant to the study

Table 1Study Population Distribution and Sample

Organization & Category	Population	Sample Sampling Technique
Nile Plastics Industry (U) Ltd		
Top Management		Purposive Sampling
Marketing and Sales Staff		Purposive Sampling
Accounts and Finance Staff		Simple Random Sampling
Production Manager		Simple Random Sampling
SUBTOTAL	15	14
CASUAL STAFFS		
DRIVERS		Purposive Sampling
LOADERS		Purposive Sampling
CLEANERS		Simple Random Sampling
SUPPORT STAFFS		Simple Random Sampling
COOKS		Purposive Sampling
HASS PETROLEUM LIMITED		Purposive Sampling
PUMP SERVICE ATTENDANT		Simple Random Sampling
SALES MANAGER		Simple Random Sampling
Marketing and Sales Staff		Simple Random Sampling
Accounts and Finance Staff		Purposive Sampling
SUB TOTAL	30	26
GRAND TOTAL	45	40

3.6 Sampling Procedures

Simple random sampling ensured that each individual had an equal opportunity to be included in the study. Respondents were assigned numbers, and selections were made randomly. Purposive sampling was applied for respondents who possessed specific knowledge and experience relevant to

the research, particularly for qualitative insights. This combination enhanced the representativeness and richness of the data.

3.7 Data Collection Methods

The study used a questionnaire survey as the primary data collection method. This approach was chosen because it is cost-effective, time-efficient, and suitable for obtaining standardized responses from multiple participants within a short period.

3.8 Data Collection Instruments

A self-administered questionnaire was used, divided into two sections:
Section a, background characteristics of respondents.
Section B, questions related to the study variables (independent and dependent).
All items were closed-ended, which allowed for easy administration, coding, and statistical analysis while minimizing irrelevant responses.

3.9 Research Procedure

An introductory letter from the Institute of Petroleum Studies, Kampala, was presented to managers of the selected companies to gain access to participants. Questionnaires were distributed personally by the researcher, with a cover letter explaining the study's purpose, voluntary participation, and confidentiality assurances.

3.10 Data Quality Control

3.10.1 Validity

Content validity was established by ensuring that questionnaire items reflected the study's conceptual framework. The researcher sought feedback from academic supervisors on clarity, completeness, and relevance before finalizing the instrument.

3.10.2 Reliability

Reliability was ensured through close supervision, avoiding personal biases, maintaining clear records, and ensuring consistent interpretation of data during collection and analysis.

3.11 Measurement of Variables

Data was presented using tables, graphs, and charts.
Nominal scale for background characteristics.

Ordinal scale for ranking variables using a five-point Likert scale (1 = strongly disagree, 5 = strongly agree).

3.12 Ethical Considerations

The study respected participants' rights by seeking informed consent, assuring anonymity and confidentiality, and acknowledging all sources used. Data was stored securely, and findings were presented honestly without fabrication or manipulation.

3.13 Limitations of the Study

The study was conducted within a one-month period, limiting the depth of data collection. Some respondents were initially reluctant to participate but were reassured about confidentiality and academic use only. Additionally, the study's geographical scope was restricted to Nalukolongo, which may limit the generalizability of the results to other regions.

CHAPTER FOUR:

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.1 Introduction

This chapter presents the study findings, including descriptive statistics, graphical representation, and analysis based on the research objectives. The study examined the impact of high fuel prices on organizational performance at Nile Energy Uganda Limited and associated fuel stations.

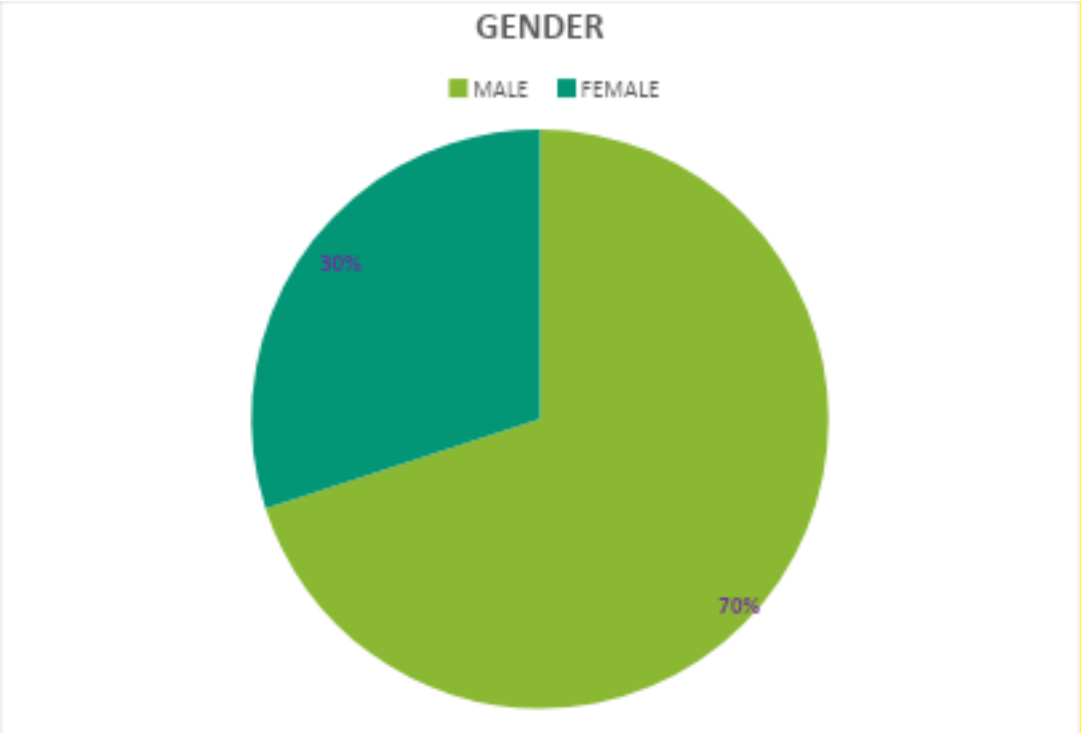
4.2 Background Characteristics of Respondents

Table 2; Gender Distribution of Respondents

Gender	Frequency	Percentage %
Male	28	70
Female	12	30
Total	40	100

Observation: The majority of respondents were male, reflecting the workforce distribution in the industrial area.

Figure 2; Pie Chart Description: A pie chart can show Male (70%) and Female (30%) slices



Interpretation:

Table 2 and figure 2 showed that 70% of the respondents were male, while 30% were female, indicating a predominantly male workforce in the study population. This distribution likely reflected the structure of Nile Plastics Company Limited, where operational and logistics roles which are directly affected by fuel price fluctuations were largely occupied by men.

In relation to the study, the gender composition was significant because it contextualized the perspectives captured on the impact of high fuel prices on organizational performance. Male employees, being more involved in roles that consume fuel directly, may have perceived changes in fuel costs as having a more immediate effect on production efficiency, transport logistics, and overall operational performance. Female respondents, though fewer, contributed perspectives from administrative and support roles, where the impact of fuel price changes might have been experienced differently, such as through adjustments in budgeting or operational planning.

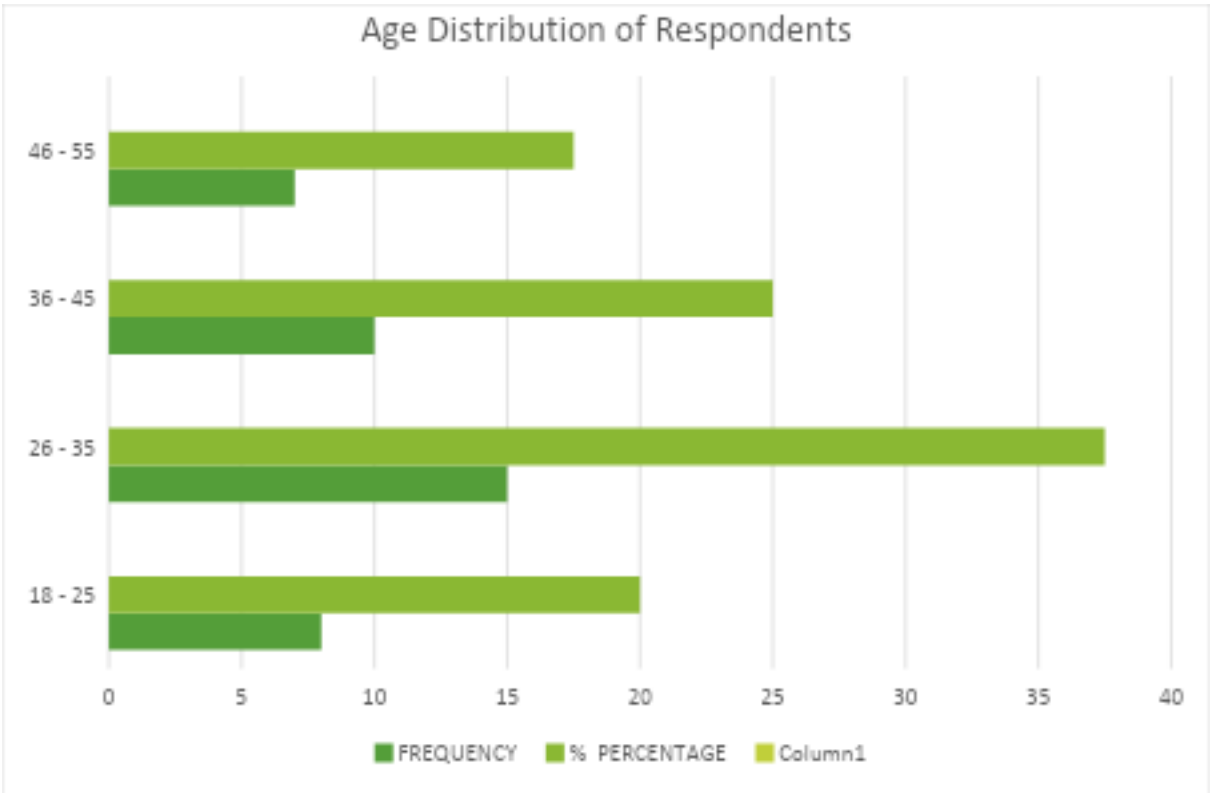
Thus, the gender distribution provided both a descriptive profile and a lens through which to interpret the findings, showing that the conclusions were more reflective of male employees' experiences and perceptions regarding the effect of high fuel prices on organizational performance.

Table 3; Age Distribution of Respondents

AGE [YEARS]	FREQUENCY	PERCENTAGE%
18 -25	8	20
26 -35	15	37.5
36 - 45	10	25
46 - 55	7	17.5
TOTAL	40	100

Observation: Most respondents are young adults (26–35 years), which may influence adaptation to fuel price changes.

Figure 3; : A bar graph showing Age groups on the Y-axis and Frequency on the X-axis.



A bar graph showed the frequency of respondents across different age groups, with the 26–35 years group having the highest number of participants.

Interpretation:

Table 3 showed that the majority of respondents (37.5%) were aged between 26 and 35 years, followed by 36–45 years (25%), 18–25 years (20%), and 46–55 years (17.5%). This indicated that the workforce at Nile Plastics Company Limited was largely composed of young to mid-aged adults.
In the context of the study, the age distribution was significant because it provided insight into how employees of different age groups might perceive and respond to high fuel prices. Younger employees (26–35 years), being the largest group, were likely more adaptable to operational adjustments or efficiency measures required to cope with fuel price fluctuations. Older employees (46–55 years), although fewer, may have had established work routines that could be more affected by rising fuel costs. Therefore, the predominance of younger adults suggested that the organization's workforce might have been relatively responsive to strategies aimed at mitigating the impact of high fuel prices on organizational performance.

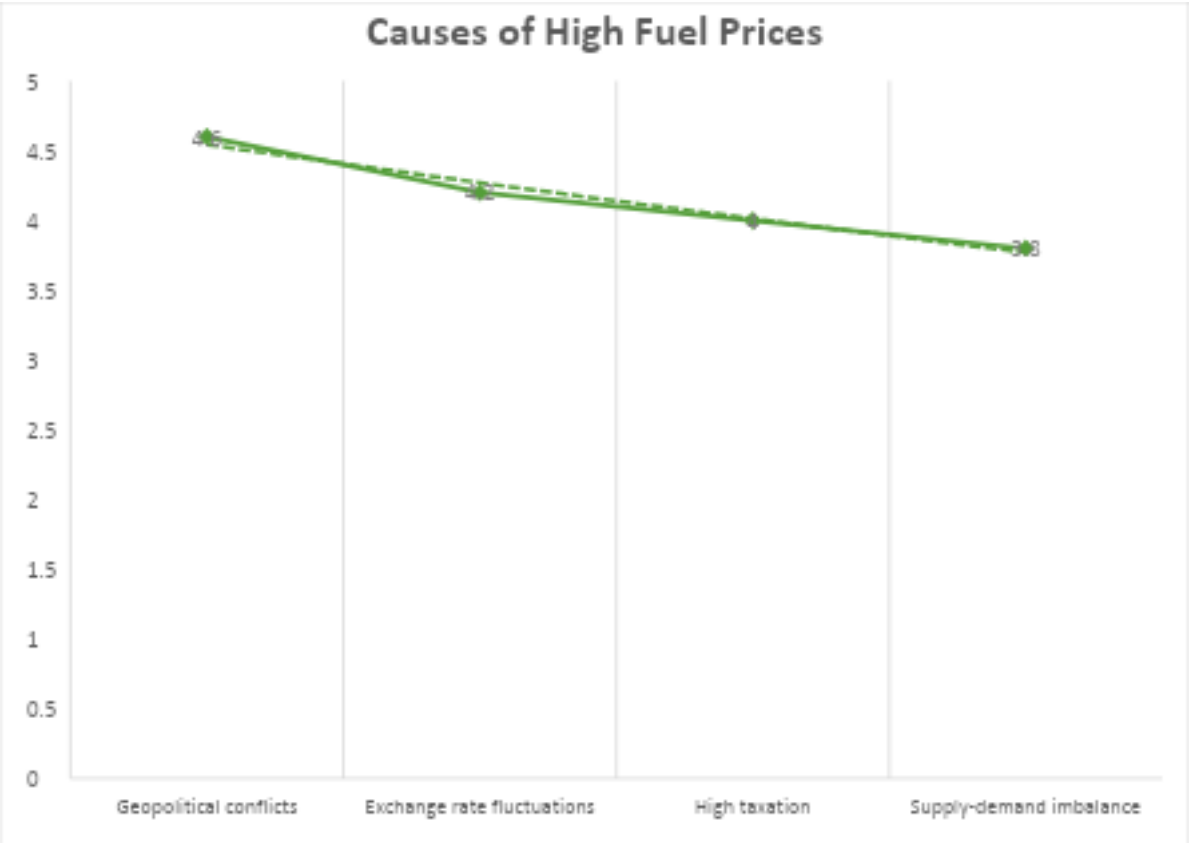
4.3 Causes of High Fuel Prices

Table 4; Respondents' Ratings on Causes of High Fuel Prices (Likert Scale: 1–5

CAUSES	MEAN	INTERPRETATION
Geopolitical conflicts	4.6	STRONGLY AGREE
Exchange rate fluctuations	4.2	AGREE
High taxation	4.0	AGREE
Supply-demand imbalance	4.4	STRONGLY AGREE
Pricing policies of oil companies	3.8	AGREE

Observation: Geopolitical conflicts and supply-demand imbalance were perceived as the strongest contributors to high fuel prices.

Figure 4; Graph a LINE chart showing causes on the x-axis and mean ratings on the y-axis.



S

Interpretation:

Table 4 showed that respondents rated geopolitical conflicts (mean = 4.6) and supply-demand imbalances (mean = 4.4) as the strongest contributors to high fuel prices, while exchange rate fluctuations (4.2), high taxation (4.0), and oil company pricing policies (3.8) were also identified as significant but slightly less impactful.

These findings suggested that external factors, such as global geopolitical tensions and market supply-demand dynamics, were perceived by employees at Nile Plastics Company Limited as major drivers of fuel price increases. This was significant for the study because it highlighted the sources of operational cost pressures that could directly influence organizational performance. Employees' awareness of these causes implied that high fuel prices were not viewed as random or isolated but rather as a predictable challenge affecting production efficiency, transportation costs, and overall organizational operations.

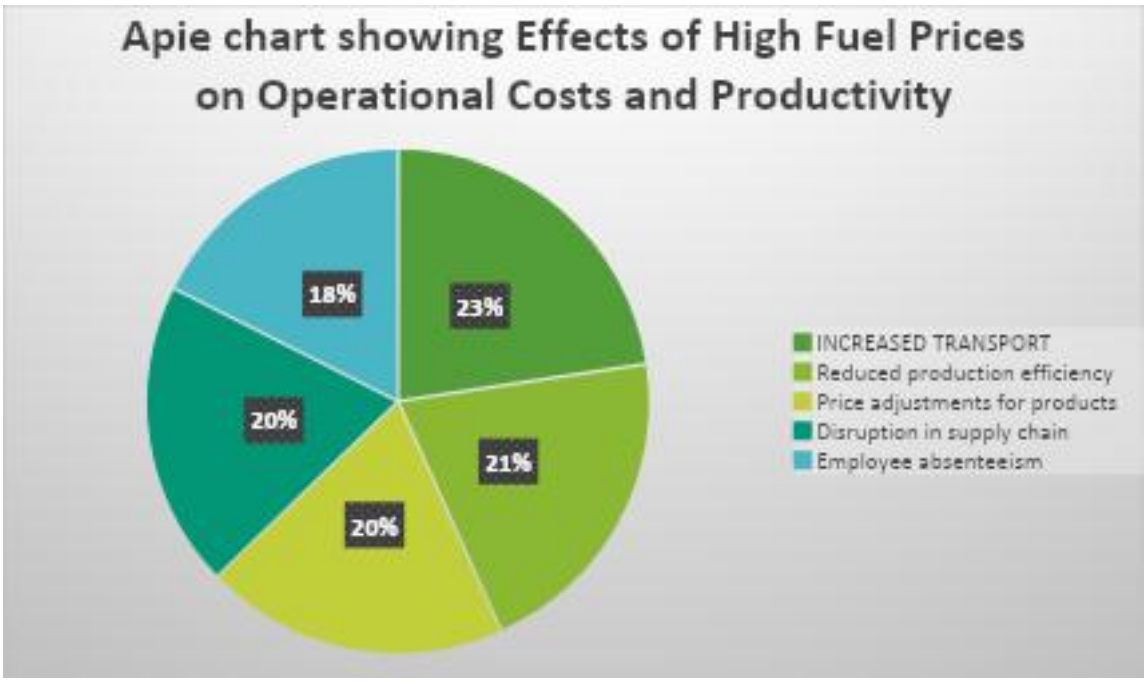
4.4 Relationship between High Fuel Prices and Organizational Performance

Table 5; Effects of High Fuel Prices on Operational Costs and Productivity

EFFECT	MEAN	INTERPRETATION
Increased transport costs	4.5	STRONGLY AGREE
Reduced production efficiency	4.1	AGREE
Price adjustments for products	4.0	AGREE
Disruption in supply chain	3.9	AGREE
Employee absenteeism	3.5	NEUTRAL

Observation: Rising fuel prices significantly increased transport costs, reduced productivity, and affected supply chains.

Figure 5; A pie chart showing each effect with mean values



Interpretation:

Table 5 showed that respondents strongly agreed that high fuel prices led to increased transport costs (mean = 4.5), while also agreeing that fuel price rises reduced production efficiency (4.1), prompted price adjustments for products (4.0), and disrupted supply chains (3.9). Employee absenteeism (3.5) was rated neutrally, suggesting a less direct impact in this area.

These findings indicated that rising fuel prices had a tangible effect on operational and logistical aspects of Nile Plastics Company Limited. The increased transport costs and reduced production efficiency directly affected organizational performance by raising operational expenses and potentially limiting output. Disruptions in the supply chain further underscored the vulnerability of organizational operations to fuel price fluctuations. Therefore, the study confirmed that high fuel prices were a significant external factor influencing the overall performance of the organization, with implications for cost management, production planning, and pricing strategies.

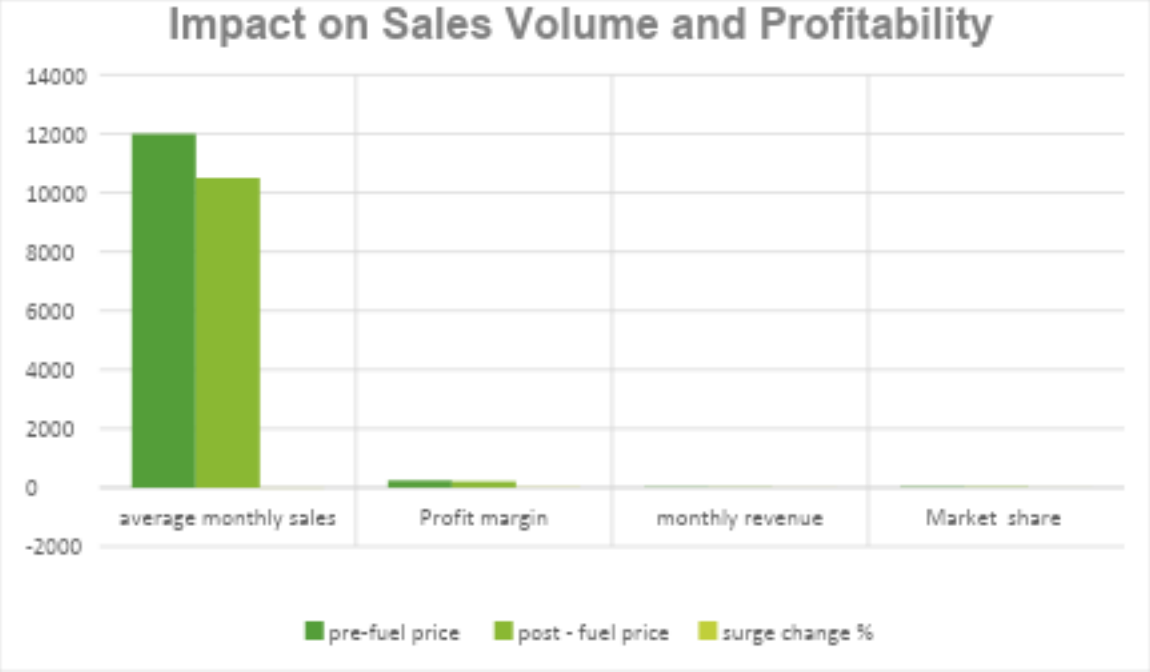
4.5 Organizational Performance Metrics

Table 6; Showing the of high fuel prices Impact on Sales Volume and Profitability

MetricPre-Fuel Price Surge	Pre Fuel Price (USD Millions)	Post-Fuel Price (USD Millions)	Surge Change (%)
Average Monthly Sales (Units)	12,000	10,500	-12. %
Profit Margin (%)	240	210	12.5%
Monthly Revenue	18	14	-4%
Market Share (%)	25	22	-3%

Observation: High fuel prices reduced sales volume, revenue, profit margins, and market share.

Figure 6; A clustered column chart comparing Pre- and Post-Fuel Price Surge values for each metric.



Interpretation:

Table 6 showed that the surge in fuel prices negatively affected key organizational performance metrics at Nile Plastics Company Limited. Average monthly sales declined from 12,000 units to

10,500 units, representing a 12% reduction. Profit margins decreased from 240% to 210%, a 12.5% decline, while monthly revenue fell from USD 18 million to USD 14 million, reflecting a 22% reduction. Market share also dropped from 25% to 22%, a 3% decrease.

These findings indicated that high fuel prices had a direct and measurable impact on both operational efficiency and financial performance. The reductions in sales volume, profit margins, and revenue suggested that increased production and transportation costs due to higher fuel prices constrained the organization's ability to maintain output and profitability. Similarly, the decline in market share implied that competitive positioning was affected, potentially due to price adjustments or operational limitations. Overall, the results confirmed that fuel price fluctuations were a critical external factor influencing organizational performance, highlighting the need for strategic measures to mitigate these effects.

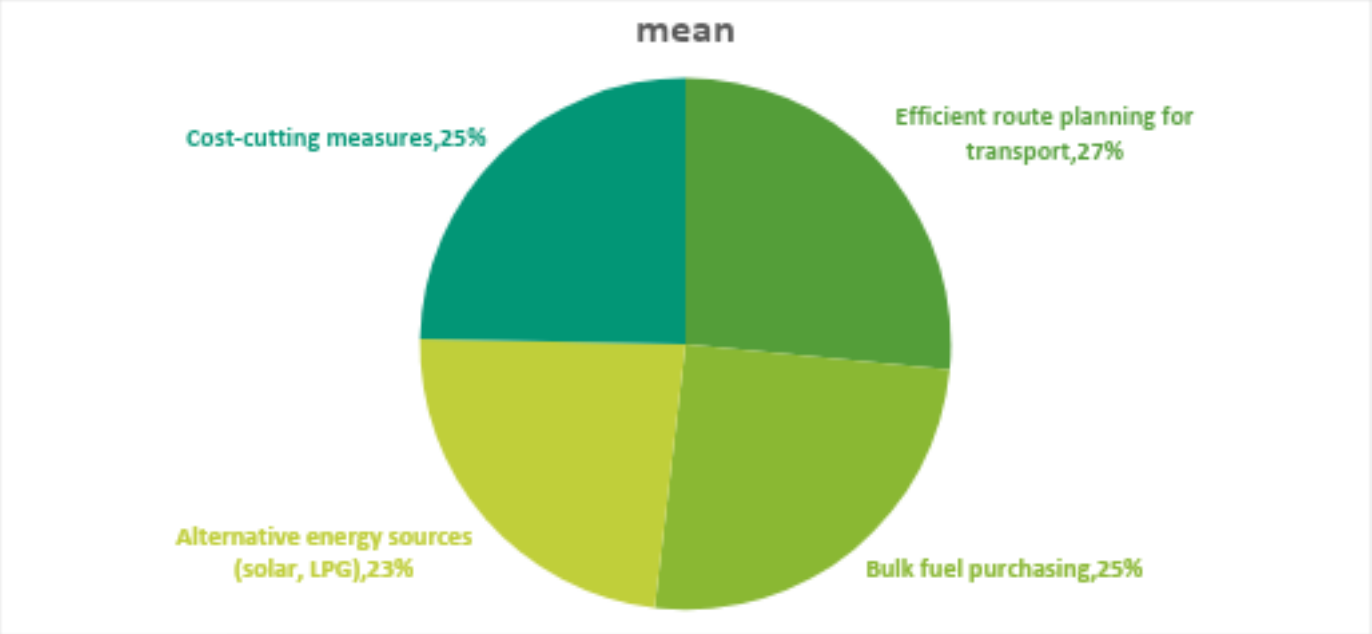
4.6 Strategies to Mitigate Fuel Price Impact

Table 7; showing Respondents' Ratings on Mitigation Strategies (Likert Scale: 1–5)

Strategy	Mean	Interpretation
Efficient route planning for transport	4.3	Agree
Bulk fuel purchasing	4.1	Agree
Alternative energy sources (solar, LPG)	3.8	Agree
Cost-cutting measures	4.0	Agree
Price adjustments for products	3.9	Agree

Observation: Efficient transport planning and bulk purchasing were considered most effective strategies.

Figure 7; Pie chart with proportion of respondents agreeing strongly (Mean ≥4) vs. neutral/disagree (<4).



Interpretation:

Table 7 showed that respondents agreed on multiple strategies to mitigate the impact of high fuel prices on organizational performance at Nile Plastics Company Limited. Efficient route planning for transport (mean = 4.3) and bulk fuel purchasing (4.1) were perceived as the most effective strategies. Cost-cutting measures (4.0) and product price adjustments (3.9) were also acknowledged as useful, while adoption of alternative energy sources (3.8) was moderately effective.

These results implied that the company actively employed operational, financial, and strategic measures to counteract the effects of persistent fuel price increases. The high ratings for route planning and bulk fuel procurement highlighted a focus on immediate operational efficiencies, while cost management and energy diversification reflected longer-term resilience strategies. Overall, mitigation strategies were essential for sustaining organizational performance amid increasing fuel prices.

4.7 Summary of Findings

The study found that the workforce at Nile Plastics Company Limited was predominantly male (70%) and mostly composed of young to mid-aged adults, particularly those aged 26–35 years. This demographic profile was significant because employees in operational roles, who were more

directly affected by persistent fuel price increases, provided most of the perspectives captured in the study.

Respondents identified geopolitical conflicts and supply-demand imbalances as the main causes of high fuel prices, with exchange rate fluctuations, taxation, and oil company pricing policies also contributing. High fuel prices were reported to increase transport costs, reduce production efficiency, disrupt supply chains, and necessitate product price adjustments. Key performance metrics confirmed these effects, showing declines in average monthly sales, profit margins, revenue, and market share.

To mitigate these impacts, the company employed several strategies, including efficient route planning for transport, bulk fuel purchasing, cost-cutting measures, product price adjustments, and adoption of alternative energy sources. These measures helped the organization maintain operational and financial stability amid increasing fuel prices, highlighting the importance of proactive planning and adaptive strategies in sustaining organizational performance under external cost pressures.

CHAPTER FIVE:

5.1 Summary of the Study

The study examined the impact of high fuel prices on the performance of Nile Plastics Company Limited in Uganda, focusing on production, transport, and supply chain operations. It investigated the causes of fuel price increases, their effects on organizational performance, and the strategies implemented to mitigate these impacts. Respondents identified geopolitical conflicts and supply-demand imbalances as the main drivers of persistent fuel price increases, while exchange rate fluctuations, high taxation, and pricing policies of oil companies also contributed. These external factors created a challenging and unpredictable environment, directly affecting operational costs and decision-making within the company.

The effects of increasing fuel prices were significant across multiple organizational processes. Employees reported that higher fuel costs led to increased transport expenses, reduced production efficiency, supply chain disruptions, and adjustments in product pricing. Performance metrics further indicated declines in average monthly sales, profit margins, revenue, and market share, demonstrating that persistent fuel price increases directly pressured both operational efficiency and financial performance.

To cope with these challenges, Nile Plastics Company Limited implemented several mitigation strategies. These included efficient route planning for transport, bulk fuel purchasing, cost-cutting measures, product price adjustments, and adoption of alternative energy sources. Among these, operational adjustments such as route planning and bulk fuel procurement were rated as the most effective, while cost management and energy diversification contributed to longer-term resilience. Overall, the study concluded that although high fuel prices posted significant challenges to Nile Plastics Company Limited, strategic and proactive measures enabled the company to maintain operational efficiency, sustain profitability, and adapt effectively to ongoing fuel price pressures.

5.2 Conclusion

The study concludes that high fuel prices pose a considerable challenge to organizational performance. They directly affect operational efficiency and financial outcomes, reducing both productivity and profitability. Organizations that proactively implement energy-efficient operations, strategic fuel procurement, and cost-control measures are better able to withstand the negative effects of fuel price volatility.

Additionally, the study emphasizes the role of government policies in supporting organizations during periods of high fuel prices. Measures such as tax relief, subsidies, and promotion of alternative energy can help stabilize business operations and maintain competitiveness.

5.3 Recommendations

A. For Organizations:

Adopt energy-efficient operations and logistics: Optimize production and transportation to reduce fuel consumption.

Implement bulk purchasing of fuel: Procure fuel in larger quantities to minimize costs and mitigate sudden price increases.

Explore renewable energy alternatives: Use solar, biofuels, or other sustainable sources to reduce dependence on petrol and diesel.

Enhance financial planning: Include fuel price volatility in budgeting and maintain contingency funds for operational stability.

B. For Government/Policy Makers:

Provide temporary subsidies or reduce taxes during fuel price spikes: Helps businesses remain competitive during periods of high fuel prices.

Encourage investment in alternative energy infrastructure: Promotes sustainable energy use and reduces reliance on imported fuels.

Support local industries through price stabilization measures: Protects businesses from sudden cost increases and promotes economic stability.

5.4 Areas for Further Research

This study examined the effect of rising fuel prices on organizational performance, focusing on Nile Plastics Company in Kampala. While it provides valuable insights, several areas remain open for further investigation.

First, the study was limited to a single manufacturing firm. Future research could adopt a comparative, multi company approach to determine whether the observed impacts and coping strategies are consistent across different sectors of Uganda's economy, such as transport, agro-processing, or construction.

Second, the research focused mainly on short-term operational and financial strategies. As global energy markets shift toward renewables, future studies should investigate the feasibility of renewable energy adoption, hybrid systems, and electric mobility solutions as long-term mitigation strategies for Ugandan manufacturers.

Third, the study employed a cross-sectional design. To capture how firms adapt to prolonged fuel price volatility, further research could use longitudinal methods that track performance and energy related investments over time. Such studies would reveal whether strategies remain sustainable under changing market conditions.

Fourth, this study emphasized organizational strategies. Additional research is needed to explore the role of government policy and regulatory frameworks in shaping firms' ability to manage fuel price shocks. Areas of interest include subsidies, taxation, and incentives for renewable energy adoption in Uganda and the broader East African region.

Finally, future research could incorporate digital and technological innovations such as artificial intelligence in logistics, Internet of Things based energy monitoring, and advanced predictive analytics for fuel demand. These emerging tools may transform how firms in developing economies cope with energy-related challenges.

By addressing these areas, future studies will enrich the body of knowledge on energy cost management and provide policymakers and business leaders with evidence-based strategies to strengthen resilience against high fuel prices.

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APPENDIX A:

QUESTIONNAIRE

Dear Sir/Madam,

I am Ambrose Okello, a student at Uganda Christian University conducting research on the Impact of High Fuel Prices on Organizational Performance. Your participation is voluntary, and all

responses will be treated confidentially and used solely for academic purposes. If a question does not apply to you or you are unsure, you may leave it blank. Your cooperation is highly appreciated.

Section A: Demographic Information

Please tick the option that applies to you.

What is your Gender?

☐ Male

☐ Female

What is our age group?

☐ 18–24 ☐ 25–34 ☐ 35–44 ☐ 45–49

☐ 50–54 ☐ 55–64 ☐ 65 or older

What is your highest Level of Education attained?

☐ UCE ☐ UACE ☐ Diploma ☐ Post-Graduate Diploma

☐ Bachelor's Degree ☐ Master's Degree

What is your current Marital Status?

☐ Single ☐ Married ☐ Separated/Divorced

What is your current Job designation?

☐ Manager

☐ Supervisor

☐ Staff/Employee

☐ Other: _____

How many years of work experience do you have with this Organization?

☐ Less than 1 year ☐ 1–3 years ☐ 4–6 years ☐ 7–10 years ☐ More than 10 years

Section B: Causes and Impact of High Fuel Prices

Please indicate your level of agreement with each statement using the scale below:

Rating Scale:

STATEMENT	RATING
Strongly Disagree	1
Disagree	2
Neutral	3
Agree	4
Strongly Agree	5

Causes of High Fuel Prices

(Tick one option for each effect) Statement 1 2 3 4 5

To what extent do the following factors contribute to high fuel prices?

Geopolitical events (e.g., international conflicts,-

Oil trade sanctions) contribute to high fuel prices ☐ ☐ ☐ ☐ ☐

Imbalances between global fuel supply and demand

Increase fuel prices ☐ ☐ ☐ ☐ ☐

Fluctuations in currency exchange rates affect fuel prices ☐ ☐ ☐ ☐ ☐

High taxes on fuel products contribute to increased prices ☐ ☐ ☐ ☐ ☐

Local fuel consumption patterns affect prices ☐ ☐ ☐ ☐ ☐

Effects on Operations

(Tick one option for each effect)

To what extent have high fuel prices affected the following aspects of your organization's operation?

Statement 1 2 3 4 5

High fuel prices increase operational costs	☐	☐	☐	☐	☐
Fuel price fluctuations reduce employee productivity ☐	☐	☐	☐	☐	
High fuel costs disrupt the organization's supply chain	☐	☐	☐	☐	☐

Effects on Sales and Profitability

Has your organization experienced a decline in sales or profitability as a direct result of high fuel prices?

☐ Yes

☐ No

Mitigation Strategies

Has your organization implemented any strategies specifically aimed at mitigating the impact of high fuel prices?

☐ Yes

☐ No

b. If yes, which of the following strategies has your organization adopted?*

(You may tick more than one)

☐ Well-organized route planning

☐ Bulk fuel purchasing

☐ General cost-cutting measures

☐ Shift to alternative energy sources

☐Others, (please specify._____

_____

_____

Relationship between High Fuel Prices and Organizational Performance

Has your organization made any production or sales adjustments in response to rising fuel prices?

☐ Yes

☐ No

If yes, which of the following adjustments were made?*

☐ Reduced production volume

☐ Increased product prices

☐ Switched to local suppliers to cut transport costs

☐ Adjusted delivery schedules

☐Other (please specify):_____

_____

_____

_____

Section D: Measures to Manage High Fuel Prices

12. Should the government subsidize fuel prices by reducing/removing taxes on imported fuel products?

Yes ☐

No ☐

Does your company use any of these alternative sources of energy for production?

Please tick all that apply:

Electricity ☐

Solar energy ☐

Fuel energy ☐

Biofuels ☐

14. Please suggest three ways your company can reduce the impact of high fuel prices on business returns?

1 _____

2 _____

3 _____

4 _____

5 _____

THE END

Thank you for taking the time to participate in this survey. Your responses are valuable for understanding the impact of high fuel prices on organizational performance

APPENDIX B

UNIVERSITY INTRODUCTION LETTER

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