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Examining the Perceptions of the Determinants of MSME Growth: A case study of MSMEs in the Retail Sector of Mumbwa District, Zambia

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DEDICATION

This Paper is dedicated to my late mother Ms Ivy Mukabu Songwe who sacrificed, guided and encouraged me to study so that i could have a decent ideal education.

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ABSTRACT

Micro, Small and Medium Enterprises (MSMEs) are widely recognised as essential drivers of economic growth, employment creation, and poverty reduction in both developed and developing countries. In Zambia, MSMEs account for nearly 90% of all businesses and employ approximately 70% of the national workforce. Despite this significant contribution, a substantial number of MSMEs, particularly those operating in rural and semi-rural areas, fail within their first few months or years of operation. This study examined the Perceptions of the determinants of MSME growth, using MSMEs in the retail sector of Mumbwa District, Zambia, as a case study. The specific objectives were to assess the effect of entrepreneurial orientation on MSME growth, examine the effects of innovation capabilities on MSME business growth, analyse the effect of market orientation on MSME business growth, and ascertain the limitations of MSME business growth strategies. The study was guided by two theories: the Innovation Theory by Joseph Schumpeter (1949), the Economic Theory by G.F. Papanek and J.R. Harris (1962/1970), and the Resource-Based View by Jay Barney (1991). A mixed-methods research design was adopted, combining quantitative and qualitative approaches. The target population comprised 210 registered retail MSMEs in Mumbwa District, from which a sample of 100 MSMEs was determined using Yamane's (1967) formula. Additionally, 10 key informants were purposively selected from the Ministry of Small and Medium Enterprise Development and the Mumbwa Business Association. Data were collected using structured questionnaires and semi-structured interview guides, and analysed using descriptive statistics, regression analysis, and reflexive thematic analysis. Ethical considerations, including informed consent, confidentiality, anonymity, and voluntary participation, were strictly observed throughout the research process. The findings of this study are expected to provide valuable insights for policy implementers, MSME practitioners, and scholars by identifying the key factors that either promote or hinder MSME growth in rural retail environments. The study contributes to the existing body of knowledge by shifting the focus from urban-centred MSME research to an under-researched semi-rural context, thereby offering empirical evidence that can inform targeted interventions for sustainable MSME development in Zambia and other developing economies facing similar challenges.

Keywords: *Micro, SMALL and Medium Enterprises, MSME Growth, Entrepreneurial Orientation, Innovation Capabilities, Market Orientation, Retail Sector, Mumbwa District, Zambia, Mixed-Methods Research.*

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LIST OF ABBREVIATIONS

AMOS	Analysis of Moment Structures
ANOVA	Analysis of Variance
CDF	Constituency Development Fund
CEEC	Citizen Economic Empowerment Commission
CIDP	County Integrated Development Plan
CSO	Central Statistical Office
DCT	Dynamic Capabilities Theory
EO	Entrepreneurial Orientation
EFC	Entrepreneurs Financial Centre
GDP	Gross Domestic Product
ICT	Information and Communication Technology
ILO	International Labour Organization
KI	Key Informant
LO	Learning Orientation
MBA	Master of Business Administration
MFI	Micro-Finance Institution
MO	Market Orientation
MoMSMED	Ministry of Micro, Small and Medium Enterprise Development
MSME	Micro, Small and Medium Enterprise
NCCSL	National Chamber of Commerce of Sri Lanka
NEDA	National Enterprise Development Authority
NGO	Non-Governmental Organisation
PACRA	Patents and Companies Registration Agency
PLS-SEM	Partial Least Squares Structural Equation Modeling
QTSC	Quang Trung Software City
R&D	Research and Development
RBV	Resource-Based View
RDT	Resource Dependency Theory
SA	Strongly Agree
SD	Standard Deviation
SDG	Sustainable Development Goal
SEDD	Small Enterprises Development Division
SME	Small and Medium Enterprise
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
SMP	Strategic Management Practice
SPSS	Statistical Package for the Social Sciences
TAM	Technology Acceptance Model
TIC	Team Innovation Capability
TOE	Technology-Organization-Environment
TQM	Total Quality Management
UNDP	United Nations Development Programme
VAR	Vector Auto Regression
VRIN	Valuable, Rare, Inimitable, Non-substitutable
WBG	World Bank Group
WRC	Western Region of Cameroon
ZANACO	Zambia National Commercial Bank
ZDA	Zambia Development Agency
ZRA	Zambia Revenue Authority

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CHAPTER ONE
INTRODUCTION

A. Overview

This chapter outlines the basic aspects of the study. The paper starts with the background of Micro, Small and Medium Enterprises (MSMEs) and their significance in economic development, poverty reduction and employment creation globally and in Zambia. The chapter then moves to the explanation of the problem. The problem statement emphasizes the continued hurdles and high rate of failure that MSMEs in Zambia face despite their recognized relevance. The research goals (generic and specific) are then described, as well as the research questions that direct the investigation. The chapter also discusses the conceptual framework that indicates the relationship between the independent variables (entrepreneurial orientation, innovation capabilities, market orientation and business strategy execution) and the dependent variable (MSME growth) in addition to the moderating variables (source of finance, skills of MSME owners and levels of market competition). Moreover, the theoretical framework is based on Innovation Theory, Economic Theory and Resource-Based View is discussed to provide the theoretical underpinning of the study. The paper then highlights the significance of the study and the ways it can contribute to the policy makers, MSME practitioners and what is already known about the subject. Finally, the scope of the study is specified with the study focused on the retail sector of Mumbwa District, Zambia and the operational essential phrases are defined to guarantee clarity and consistency throughout the research.

➢ *Background*

Poverty is a global phenomenon that has lasted millennia and has been highlighted as a concern through the sustainable development goals (SDGs). Therefore, many countries have agreed to these goals and have been making considerable attempts to eliminate or reduce poverty. The 2030 agenda aims to eliminate all types of poverty, including SDG No. 1 (United Nations, 2018). In most countries, both nationally and globally, the overall health of a country's Micro, small and medium companies (MSMEs) is a strong determinant of economic wellbeing and competitiveness. It is widely accepted that small and medium-sized firms are important drivers of socio-economic development (Nor, 2024). MSMEs, for instance, provide 85 per cent of new jobs in the US (Gherghina et al., 2020) MSMEs contribute about 60 % of the world gross domestic product (GDP) on average (Mugano & Dorasamy, 2024).

Nairobi, Kenya's capital city, is home to over 60% of the SMEs in Kenya. These are spread throughout a number of industries including the informal sector, banking, retail and farming. The county receives the greatest revenue allocation to counties accounting for almost 10% of the overall national allocation (Kenya National Bureau of Statistics, 2018). The county is thus an industrial base with a pretty well established infrastructure and communication and is estimated to account for 20% of the country's GDP (World Bank, 2019).

MSMEs have a vital role in the dissemination of several development outcomes such as training, education, generation of revenues, capacity building, employment possibilities and stimulation for revitalizing the economy via production activities (Matekenya and Moyo, 2022). Ironically, the capacity building that should seek to enable the market-driven capabilities for entrepreneurs has been eliminated despite the Government of Lesotho making significant strategic efforts to empower MSMEs through the establishment of ministries and agencies (European Union, 2020). The study of the EU (2020) on Lesotho SME also indicates that the majority of local MSMEs have serious market incapacity and setback in the market environment. Evidence also suggests that most MSMEs in Lesotho fail within their first five years of operation and less than 10% survive and grow to maturity (EU, 2020).

The MSME sector in Zambia like any other developing countries is a significant source of employment creation and employment growth, contributing one third to two thirds of the turnover in the private sector

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(Ntsika, 2018; Arianoff, 2019). The MSME sector is vital for economic growth, employment creation, poverty alleviation and reducing levels of inequality (Endris & Kassegn, 2022). In the third quarter of 2023, the country's Gross Domestic Product (GDP) per capita increased at an average yearly rate of 3.6 per cent year on year but the significantly greater pace of population growth meant that the gains were insignificant for poverty alleviation. The level of poverty decreased just little from 73 per cent in 1998 to 68 per cent in 2004 (UNDP, 2018). The current population for Zambia is estimated at 22.5 million as of 2026 while Mumbwa district has a population of 332,237 according to the 2022 Census Report, of which nearly half of the 23,800 km² district consists of protected forests and Game Management Areas (approximately 11,200 km²) thus limiting settlement space. Mumbwa is a town in the Central Province of the Republic of Zambia. The community has been dominated by agricultural activities in a bid to earn a living. Micro, Small and medium-sized enterprises (MSMEs) constitute nearly 90% of all businesses in Zambia and employ about 70% of the national workforce (Zambia Development Agency, 2022). Their contributions span sectors such as agriculture, manufacturing, and services, positioning them as pivotal to the country's socio-economic development (World Bank, 2021).

➢ *Statement of the Problem*

Zambia, like many developing countries, has a long way to go before it attains its goals of sustained economic growth and poverty alleviation. The absence of a clear strategic direction is still a big challenge to the economic transformation role of Micro, small and medium-sized companies (MSMEs) (Chipambwa and Hapompwe, 2023). Micro, small and medium companies (MSMEs) are estimated to represent approximately 97% of employment (Bank of Zambia and the International Labor Organization, 2021). The Zambia Development Agency Strategic Plan (2022-2026) and the Eighth National Development Plan (2022-2026) highlight the need to strengthen Micro, small and medium-sized enterprises (MSMEs) as a way of promoting inclusive economic development in the Country (Ministry of Finance and National Planning, 2022; Zambia Development Agency, 2023). However, there is evidence that some Micro, small and medium-sized firms (MSMEs) in Zambia do fail in the first few months of operation (Chilembo, 2021). Statistics show that 3 out of 5 Micro, small and medium-sized enterprises (MSMEs) fail within the first few months of operation and further most of them collapse in the first five years of existence. Research conducted in Lusaka Central and Mwembeshi economic districts indicated that 74% of SMEs (small and medium-sized companies) either failed or stagnated in their economic activities (Chilembo, 2021; Chivwindi, Hapompwe and Banda, 2023). The high likelihood of failure is also affect the economy negatively as it leads to fewer jobs being created, fewer activities targeted toward economic diversification, and fewer programs geared toward building robust and resilient local economies (World Bank, 2021). Most studies of Micro, small and medium-sized business (MSME) growth in Zambia have focused on the metropolitan regions such as Lusaka and the Copperbelt. This has resulted in little knowledge on the specific factors that are responsible for the growth of Micro, small and medium sized enterprises (MSMEs) in rural and semi-rural areas such as Mumbwa. The major aim of this study is to explore the factors affecting the growth of Micro, small and medium enterprises (MSMEs) specifically in the retail industry.

➢ *General Objective*

The general objective of this study was to examine the Perceptions of determinants of the MSME growth, using MSMEs in the retail sector of Mumbwa District, Zambia, as a case study.

- *Specific Objectives*

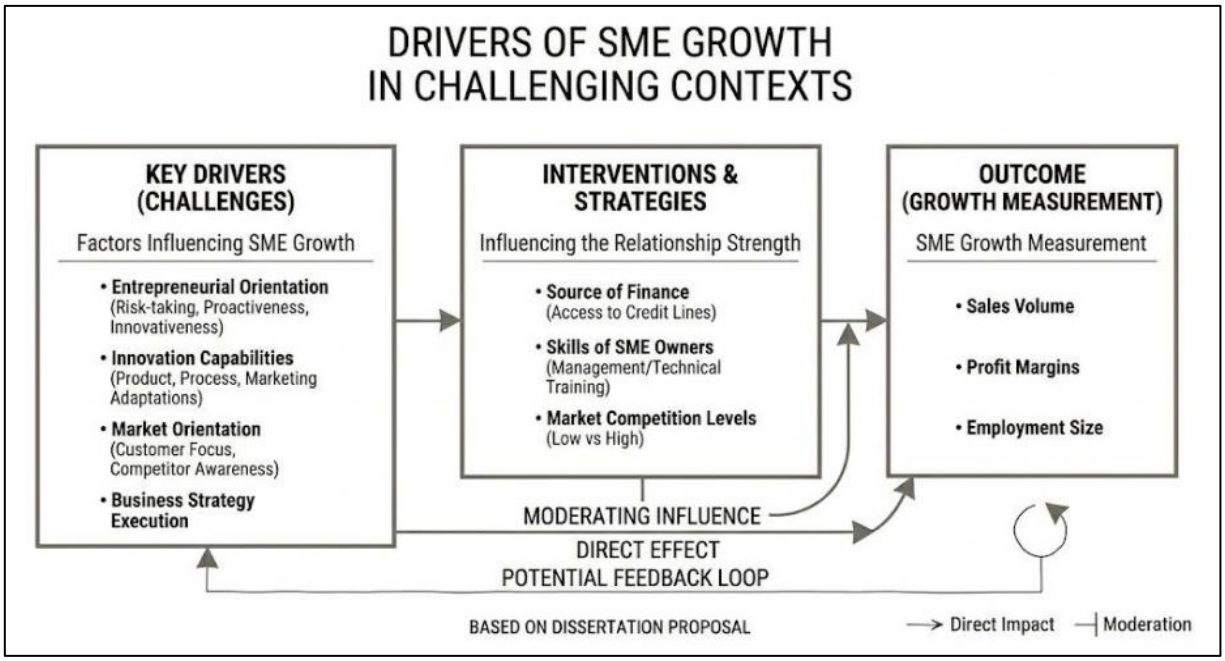
✓ To assess the effect of entrepreneurial orientation on the growth of MSME
✓ To examine the effects of innovation capabilities on MSME business growth
✓ To analyse the effect of market orientation on MSME business growth
✓ To ascertain the limitations of MSME business growth strategies

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- Research Questions

✓ How does entrepreneurial orientation affect the growth of MSMEs?
✓ How do innovation capabilities promote MSME business growth?
✓ How does market orientation affect MSME business growth?
✓ What are the limitations of MSME business growth strategies?

➢ *Conceptual Framework*



Van der Merwe, M. D., Grobbelaar, S. S., Meyer, I. A., Schutte, C. S. L., & Von Leipzig, K. H. (2020). A framework of key growth factors for small enterprises operating at the base of the pyramid. MDPI, Basel.

This study assumes that the link between the major variables is based on the concept that the growth of MSME does not occur in isolation but is impacted by a mixture of internal capabilities and external situations. This study extends the work of Van der Merwe et al. (2020) who contend that the growth of small enterprises at the grassroots level is influenced by a combination of the entrepreneurial spirit, resource accessibility and market awareness. This study considers entrepreneurial orientation, innovation capabilities, market orientation and execution of business strategy as the main drivers of growth. It is anticipated that these four factors will have a direct impact on the performance of retail MSMEs in Mumbwa District over time. For example, an entrepreneur who takes measured risks, develops new product ideas, emphasizes consumer demands and has a well-structured company plan would probably see an increase in sales volume, profit margins and number of people employed (Norsalehe & Idris, 2022). But the link between these causes and real growth is not always obvious, especially in rural areas where resources are scarce and market circumstances can shift quickly. The amount to which entrepreneurial approach or innovation initiatives convert into actual growth depends on access to funding, skills of the firm owner and the level of competition in the market (Kassa & Kegne, 2025). For instance, a store owner in Mumbwa may be very imaginative and proactive but lacking access to a line of credit or basic training in financial management, these attributes may never materialize into higher profits or extended business operations. Similarly in a very competitive climate, even good business methods will perhaps only provide modest returns, unless the owner has found a means to distinguish from other sellers. This means that the moderating variables do not drive the growth by themselves, but alter the effect of the main drivers on the end result.

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The framework thus offers a multi-layered view of MSME growth rather than a straightforward cause-and-effect connection. Entrepreneurial orientation, innovation, market orientation and strategy execution are shown as the main independent variables that directly lead to the growth outcomes measured by sales, earnings and employment. Other undetectable elements that can affect the strength of each relationship depending on the nature of the firm are the moderators of finance, owner skills and competitiveness (Tembo & Chisebe, 2025). In actuality, two SMEs may have the same entrepreneurial spirit, but the SME whose owner has better financing access or greater skills is likely to grow quicker. The architecture also provides for feedback loops where early success might lead to better financing possibilities or encourage an owner to pursue more training, which in turn spurs further growth. This cyclical possibility is especially important for retail MSMEs in Mumbwa, since tiny rises in sales volumes can unlock previously inaccessible financing facilities, building momentum that carries the business forward over time.

➢ *Significance of the Study*

This study has important implications for policy implementers, MSME practitioners and scholars. The study will assist district policy makers and implementers especially those associated to the Ministry of Micro,Small and Medium Enterprise Development with insight into the elements that actually hinder or support MSME growth in the rural retail environment like Mumbwa District. This is important because most Zambian governmental initiatives have targeted urban MSMEs at the expense of rural enterprises (Chivwindi, Hapompwe & Banda, 2023). The study could help district officials in developing training programmes, capacity building and resource allocation by assessing the constraints and motivators of Mumbwa. (Tembo & Chisebe, 2025). The study It will offer MSME owners, their employees and the local communities that depend on them practical strategies on how to overcome growth challenges such as improving customer orientation, seeking relevant training and finding innovative ways to secure funding. The study will help fill a gap in the studies on Zambian MSMEs by moving the focus from the two dominant provinces, Lusaka and the Copperbelt, to provide new empirical evidence from a semi-rural and agricultural region. Future researchers would create more advanced theories on MSME development in peripheral economies through understanding the dynamics of entrepreneurial orientation, innovation and market orientation in Mumbwa (Matekenya & Moyo, 2022) considering that the drivers of growth vary with geographic and economic context.

➢ *Scope of the Study*

This study was aimed at investigating the factors of MSMEs growth in the retail sector in Mumbwa District, Zambia. The study is geographically limited to the major business district of Mumbwa town (CBD) to ensure accessibility and manageability by the researcher. The study is based on retail MSMEs registered in the area and spans the period from 2010 to 2025 to analyze growth trends and difficulties over a period of 15 years. The analysis is limited to four main Perceptions of the determinants i.e. entrepreneurial orientation, innovation skills, market orientation and the limitations of firm growth strategies. The dependent variable, SME growth, is explicitly quantified through sales volume, profit margins and employment size, while moderating factors such as access to finance, owner skills and market rivalry are also considered within this defined scope.

➢ *Operational Definition of Terms*

For the purpose of this study the following major concepts are defined operationally to provide clarity and consistency of knowledge across the investigation:

Micro,Small and Medium Enterprises (MSMEs) are commercial entities that operate within the retail sector in Mumbwa District with moderate levels of assets, sales volume and size of employees, normally employing between one and fifty workers.

MSME Growth is operationally defined as the concrete rise in a firm’s performance measures, especially sales volume, profit margins and employment size over a given time of operation (Khizar & Iqbal, 2020; Khan, Rathore & Sial, 2020).

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Entrepreneurial Orientation is the strategic decision making process, practices and behaviors exhibited by owners or managers of MSMEs, and it comprises three important dimensions which are risk taking (the willingness to commit resources to projects with uncertain outcomes), proactiveness (ability to predict and act on future market demands) and innovativeness (propensity to engage in inventive activity and introduce new products or services) (Ogbu Edeh, 2020; Khan, Rathore & Sial, 2020).

Innovation Capabilities are the abilities of the organization to convert knowledge, skills, and resources into new or significantly improved products, processes, or marketing methods to enable the organization to adapt to changing market demands or dynamics and maintain competitiveness (Mamduh & Pratikto, 2021; Saunila, Pertuz & Pérez, 2021).

Market Orientation is defined operationally as the extent to which MSME is focused on understanding and satisfying customer needs and preferences, monitoring competitor activities and coordinating internal functions to deliver superior customer value (Jamaludin et al., 2022; Matekenya & Moyo, 2022).

The competitive advantage is the unique bundle of internal resources, capabilities, or market positions that allow MSME to outperform its competitors in the retail sector in Mumbwa District either in terms of quality of products, customer service, pricing strategies, or operational efficiency (Khizar & Iqbal, 2020).

Poverty and Unemployment are the socio-economic conditions that MSMEs seek to alleviate through job creation and income generation within the local community, hence this study. Local Economy is the network of economic activities, transactions and employment relationships within Mumbwa District that are directly or indirectly affected by the operations of retail MSMEs

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CHAPTER TWO
LITERATURE REVIEW

A. Overview

This chapter reviews the existing literature related to the Perceptions of determinant of the SME growth organized around the thematic areas emerging from the specific objectives of the study. The chapter begins by reviewing local, regional and global research on the influence of risk-taking, pro-activeness and innovativeness on business performance to explore the relation between entrepreneurial orientation and MSME growth. The second thematic area considers the effect of innovation capabilities on MSME business growth, with particular reference to the roles of product, process and marketing adaptations in developing competitiveness and fostering growth. The third theme considers the influence of market orientation on MSME growth, with a focus on the roles of customer orientation, competitor awareness and inter-functional coordination in advancing business success. The last theme is the discussion of the limitations of MSME business growth strategies by identifying internal and external barriers to the growth of small and medium-sized companies. Following a review of these thematic areas, the chapter provides a personal critique of the literature under review, providing insights into the strengths and weaknesses of methodology, contradictions in findings and inadequacies of existing studies. The chapter concludes by identifying the research gaps that have emerged from the critique, thus justifying the need for the current study and demonstrating how the study will contribute new knowledge to the field of MSME development, particularly within the Zambian retail sector.

- *The Effect of Entrepreneurial Orientation on the Growth of MSMEs*

Nguyen V, et al (2021) in Vietnam conducted research on the impact of entrepreneurial leadership on MSMEs' performance: the mediating effects of organizational factors with the following ten hypothesis of Entrepreneurial leadership is positively associated with entrepreneurial orientation, Entrepreneurial orientation is positively associated with business performance, Technological Innovation Capabilities is positively associated with entrepreneurial orientation. Technological Innovation Capabilities is positively associated with business performance, Entrepreneurial leadership is positively associated with team creativity, Team creativity is positively associated with business performance, Entrepreneurial leadership is positively associated with dynamic capabilities. Dynamic capabilities are positively associated with business performance; Entrepreneurial leadership is positively associated with competitive advantage and Competitive advantage is positively associated with business performance. The target population of this study was MSMEs in Ho Chi Minh City (HCMC), mainly located at Quang Trung Software City (QTSC) with the sample size of 700. The findings indicated that there was positive impact of entrepreneurial leadership on entrepreneurial orientation and that entrepreneurial leadership motivates the innovation skill, risk-taking ability, and proactiveness of a firm, which improves the exhibition of entrepreneurial orientation, Nguyen V, et al (2021).

Sirivanh, T and Sukkabot S,(2014) Conducted a study on the Effect of Entrepreneurial Orientation and Competitive Advantage on MSMEs' Growth: A Structural Equation Modeling Study in Thailand with two objectives which where to investigate factors which are important determinants of small and medium enterprise growth and to develop a structural equation modeling involving factors influencing small and medium enterprise growth. The population in the study involved 38,889 small and medium enterprises in Lao PDR. Capital (Ministry of Industry and Commerce, Enterprise Registration office, 2011) with the sample which involved 331 collected from Lao MSMEs in Vientiane City, Luangprabang, Savanaket and Champasak provinces. The study concluded that the Entrepreneurial orientation and Competitive advantage are factors which have direct and indirect influences on the growth of small and medium enterprises, Sirivanh, T and Sukkabot S, (2014).

Hussein, A, et al. (2025) A study on the Effect of Entrepreneurial Orientation on Small Business Performance in Mogadishu, Somalia with four objectives which was to explore the relationship between

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competitive aggressiveness and small business performance in Mogadishu, to explore the relationship between innovativeness and small business performance , to investigate the impact of proactiveness on small business performance and to investigate the impact of risk taking on small business performance. There where four hypothesis the researcher test which included that there is a positive relationship between competitive aggressiveness and small business, performance in Mogadishu, that there is a positive relationship between innovativeness and small business performance in Mogadishu, that there is a positive relationship between proactiveness and small business performance in Mogadishu and that there was a positive relationship between risk-taking and small business performance in Mogadishu. The researcher had also used quantitative approach, employing descriptive and correlational methods to investigate the connection between small business performance and entrepreneurial orientation with the sample size of 200 respondents. The findings of the study indicated that Innovation, proactiveness, and risk-taking exhibit significant positive effects, whereas competitive aggressiveness reveals no statistically significant association with performance. Hussein, A, et al. (2025).

Sorama, K and Sanna Salo J, (2021) in Finland Researched on Entrepreneurial Orientation, Firm Growth and Performance in SMEs: Testing the Scale of EO in SME Context with its objective to test how EO affects the growth and performance of SMEs in the short term in a rapidly changing business environment and elucidate the relationship between EO and firm growth and performance in the short-term. The two hypothesis were used for the study in providing the results to the objective which was that risk-taking has a positive relationship with SME growth in a short-term, that Innovativeness and proactiveness have no relationship with SME growth in a short-term, that Innovativeness and proactiveness have a positive relationship with SME performance in a short-term and that risk-taking has no relationship with SME performance in a short-term. The Population was selected from all limited companies from South Ostrobothnia region of Finland which were identified in the Finnish Voitto+ database and then excluded agriculture, forestry, and construction companies to arrive at an initial sample of 1005 companies. The study identified that the Entrepreneurial orientation had two dimensions in SMEs: innovativeness and risk-taking: a finding meaning that proactiveness was not identifiable as a separate dimension. The items measuring proactiveness loaded to the same factor as the items measuring innovativeness indicating that innovativeness and proactiveness measured the same phenomenon, Sorama, K and Sanna Salo J, (2021).

In Kenya Kamendi (2016) researched on the role of entrepreneurial orientation on the Growth of small and medium enterprises in Nairobi County.The objectives were to investigate the role played by entrepreneurial orientation on growth of small and medium enterprises in Nairobi County. The sample size of the study was 226 SME respondents while the sampling frame includeed Food, Beverages, shoes, Timber, Wood products and Furniture, Pharmaceutical SMEs, Metal and Allied SMEs and Cloths SMEs. The study found out that entrepreneurial orientation helped Nairobi County SMEs realize increased growth. The study established that the major factors that influenced growth of small and medium enterprises in Nairobi County included risk taking, innovativeness and pro-activeness. Kamendi (2016) revealed that risk taking influenced growth of Nairobi SMEs to a large extent as the respondents agreed to the statement that their business commited a large portion of their resources to ventures with uncertain outcomes, that their business took in heavy borrowing from banks; that their business invested in high-risk products which promised high returns; that thier business interacted a lot with customers to explore new opportunities; that they used risk management techniques to mitigate the risks in the business; that In their business, they reduced the consequences of risk-taking by forward planning and anticipating each outcome, they managed themselves during stressful times of business and that before they could make a risky business decision they determined whether it was the right decision to make. Kamendi (2016) further propounded that innovativeness influenced the growth in Nairobi County SMEs since Innovativeness had enabled market penetration of small medium enterprises; that their business encouraged creative ideas and experimentation when introducing new products; that Technological Ideas in small medium enterprises had brought new products/services; that their business encouraged developing new technological processes; that their business encouraged incremental improvements in products and services; that Innovation generated significant new value for customers; that

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their business initiated innovations in most situation ahead of their competitors and that their business were creative in creating and controlling resources. Kamendi (2016) Pro-activeness also influenced the growth in Nairobi County SMEs reason being that the business owners identified needs of current and potential customers; that their business reallocated its resources to deal with emerging opportunities and threats; that their business identified and monitored market trends to predict future trends; that their business adopted creative methods of running business ahead of its competitors; that their business was able to anticipate and respond to the emerging needs of customers; that their business harnessed the strong research and development capabilities in making future decisions; that their business continually sought opportunities (new markets and new customers) related to the present needs and that their business anticipated change and generated first-mover advantages.

In Nigeria Akanmu, et al (2021) conducted the study on the efficacy of entrepreneurial orientation on SMEs' performance and whose objectives where to determine the effect of Organizational Culture on Entrepreneurship Orientation (EO) as well as to examine the effect of Entrepreneurship Orientation (EO) on firm performance. A sample of one hundred and ten (110) employees out of the one hundred and fifty-two (152) employee population were selected using the simple random sampling technique. The findings showed that Organizational culture is Entrepreneurial Orientation-driven Akanmu, et al (2021) and this was consistent with several previous studies such as Okta et al. (2015) and Yildiz (2014) where it was outlined that organizational culture is one of the entrepreneurial orientation antecedents, and organizational culture can be considered as a major driver of entrepreneurial enterprises. Entrepreneurial orientation can be supported through organizational culture (Fayolle et al., 2010; Brettel et al., 2015; Shepherd et al., 2010). Hence, organizational culture may have the capability to influence organizational performance and therefore can lead to enhancement in competitiveness. Likewise, organizational culture factors have strong effects on firm entrepreneurial innovativeness and performance. The study's results indicated that organizational culture affects entrepreneurial orientation which is in line with Engelen et al. (2014), who indicated that organizational culture's values and features had a significant impact on the degree of EO within an organization. Entrepreneurial orientation can be promoted greatly by organizational culture when several generations are engaged at the same time (Cherchem, 2017). This result is also tangible with the findings of Brettel et al. (2015) that found that Organizational culture has a significant impact on EO. Organizational culture is seen as a significant strategic resource that can gain a strong competitive advantage by encouraging and maintaining entrepreneurial operations. It is an integral antecedent for entrepreneurial decision-making in entrepreneurship studies and it was observed that the EO dimension is influenced significantly and positively by organizational cultural factors. Moreover, the effect of EO on firm performance has been tested. Previous studies have found the same result in different samples and environmental settings (i.e., Kuraktko et al., 2005; Shepherd et al., 2010; Ojeaga & Owolabi, 2011; Hair et al., 2014; Fayolle et al., 2014; Aloulou & Fayolle, 2005; Kurtulmuş & Warner, 2015; Martin & Javalgi, 2016). The positive relationship between EO and firm performance showed that a high EO level in firms indicates that the firm is highly innovative, proactive, and capable of undertaking risky activities. The finding of this study is in accordance with Barney's (1991) of Resource-Based Theory (RBT), Entrepreneurship Orientation has made the organization stay ahead of its rivals (Barney, 1991). Analysts have noticed the importance and the relative links between EO and firm performance in turn, organizations with these organizational capabilities are performing in the market at an unusual level. Entrepreneurial Orientation, which enhances management capacities for entrepreneurs, tends to improve business performance. The entrepreneurial environment in Nigeria is still in progress, but actions are taken to support the growth of national entrepreneurship by promoting and stimulating entrepreneurial growth through providing of favourable environmental factors. Political stability is based on global ratings and is the most appealing feature. It also has a policy of free economy that is essential for new companies Sule, (2014); Akinbola, Ogunnaike & Amaihan, (2015). Nigeria's SME sector has shown growth and development Adenuga, (2009); Kowo & Adenuga, (2019). The government in Nigeria has taken initiatives to promote its SMEs, but gaps still exist Oviawe & Anarberokhai, (2008). In order for SME owners to be able to start their own businesses and provide jobs in a market, the government has provided short-term loans. Researchers have clarified that SMEs can succeed if they receive long-term loans at low financial costs, making it easy for

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owners to repay their loans Otokiti, (2013). SME short-term loans always hamper the success of a company, even an excellent one Al Bulushi & Bagum, (2017). The SME sector in Nigeria begins the growth curve, and this sector needs a high level of governmental assistance. Nigeria's SME contribution to GDP is small but helps the country to reduce the volume of unemployment Kowo, Sabitu & Adegbite, (2018). Akinbola, Ogunaike & Amaihan (2015) highlighted how the Nigerian government took extraordinary actions to enhance its SMEs and the economy of its entire country in 2015. Nearly 80% of private industry is based on SMEs, and it offers many job opportunities for young people, resulting in a significant fall in national unemployment over the last two years Adisa, Adeoye & Okunbanjo, (2016). An interesting theory in the SME growth limitation is the Market orientation which is a fundamental phenomenon in the measurement of marketing operations for the past two decades Ladipo, et al., (2016); Sombultawee and Boon-itt, 2018. It is considered as one of the indispensable elements of business survival. The significance of Market Orientation in SMEs cannot be overlooked regardless of culture and market due to its strong correlation with business performance Kwak, et al., (2013); Maurya, et al., (2015); Na, et al., (2019). Marketing Orientation widens the activities of marketing concept, by acknowledging that focusing on customer alone is not enough Arifin, (2016); Sombultawee and Boon itt, (2018). Instead, firms need to understand the important elements within the external environment, as these affect the market operations. MO has strengthened the definition of marketing to integrate long-term planning, growth, competition, and survival. A number of researchers have discovered the relationship between MO and a firm's performance (e.g., Bueno, et al., (2016); Chen and Hsu, (2013); Jangl, (2015); Lauk kanen, et al., (2016); Lin, et al., (2015); Mutlu and Sur er, (2015); Moghaddam, et al., (2013). In Nigeria, customer intensity in SMEs is the ability of owner-managers to build marketing relationships that deal with individual customer needs, preferences, or desires, which is further related to customer on a more personal level Nwaizugbo and Anukam (2014). In another vein, Spence and Essoussi (2010) maintained that firms, particularly SMEs, to maintain their position in the marketplace, must be aware that their image in the public reflects the way and manner the consumers perceive them.

In Kenya, Kinya, C. et al (2022) conducted a study on Entrepreneurial Orientation Dimensions and the Growth of Small and Medium Enterprises and whose objective was to examine the entrepreneurial orientation dimensions adopted by SMEs and how they influenced their growth. The findings indicated that risk taking had a positive significance to the growth of small and medium enterprise in Embu County. According to the results it showed further that risks that came with the running of SMEs which includes financial risks, business risks and personal risks had a positive influence towards the growth of SMEs in Embu County, Kinya, C. et al (2022).

Christiana C and Islam N, (2025) researched on the role of Entrepreneurial Orientation in SME Performance: Examining the Impact of Individual Dimensions in Nigeria with three research objectives namely; to examine the direct impact of each Entrepreneurial Orientation dimension (Innovativeness, Risk taking, Autonomy, Proactiveness, Competitive Aggressiveness) on SME performance in Nigeria, to explore how contextual challenges in Nigeria (e.g., financial constraints, regulatory environment, market competition) influence the effectiveness of EO dimensions on SME performance and to provide practical recommendations on how Nigerian SMEs can strategically leverage EO dimensions to improve business performance. The key theories the study used was Resource-Based View (RBV) and Innovation Theory, which provided a strong foundation for understanding how EO dimensions, Innovativeness, Risk-taking, Autonomy, Proactiveness, and Competitive Aggressiveness and directly impact on SME performance. These perspectives highlighted the importance of internal entrepreneurial capabilities and innovation in fostering competitive advantage and business success. This study adopted a comprehensive quantitative research design to examine the impact of Entrepreneurial Orientation (EO) dimensions on the performance of Small and Medium Enterprises (SMEs) in Nigeria with the sample size of 300. The findings indicated that Innovativeness had a significant positive effect on SME performance, Christiana C and Islam N, (2025). Further it was discovered that Innovativeness, Proactiveness, and Competitive Aggressiveness significantly enhanced SME performance, reinforcing the importance of market anticipation, strategic competition, and product innovation in driving business growth. In contrast, Risk-taking and Autonomy were found to have no significant direct impact, suggesting that

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external constraints such as financial limitations, regulatory complexities, and economic uncertainty may hinder the effectiveness of these dimensions in the Nigerian SME sector. Christiana C and Islam N, (2025).

A study by Umar, A (2025) on the effect of Entrepreneurial Orientation on Small and Medium scales Enterprise (SMEs) performance in north central Nigeria.The main objective of the study was to examine the effect of entrepreneurial orientation on SMEs performance in North Central Nigeria.The specific objectives where to examine effect of autonomy on SMEs performance in North Central Nigeria and to ascertain the effect of pro-activeness on SMEs performance in. The study adopted a survey research design. The population of the study consisted of owner/manager of registered SMEs in North Central, Nigeria- (130,862) according to SMEDAN (2021). The sample size of (400) SMEs was determined using Taro Yamane (1968) sample determining formula. The study concluded that proactiveness and autonomy are key motivators for SMEs performance in North Central Nigeria. Therefore, the study recommended that SME owners and managers should adopt a forward-thinking and opportunity-driven mindset in their strategic and operational decision-making processes. This enabled them to anticipate market trends, respond swiftly to changes in customer preferences, and stay ahead of competitors. Lastly, SME operators needed to reduce excessive centralization by delegating authority and empowering staff to explore creative solutions and act on emerging opportunities.

A research conducted in Zambia done by Chota, M. (2020) on entrepreneurial orientation and its effects on Micro, small and medium enterprises (MSME's) business Performance in Lusaka district with three objectives namely to empirically identify which of the entrepreneurial orientation factors could be the most influential on business performance among Micro, Small and Medium Business Enterprises (MSMEs) in Lusaka district, the second objective was to understand the effect of Entrepreneurial Orientation on Micro, Small and Medium, Business Enterprises (MSMEs) business performance in Lusaka district, and the objective was to make recommendations on how best Micro, Small and Medium Business Enterprises (MSMEs) could appropriately entrench entrepreneurial orientation to improve their business performance.It centred on the influence of Entrepreneurial Orientation on the performance of Micro, Small and Medium Business Enterprises (MSMEs) while its focus was to investigate the influence of the dimensions of entrepreneurial orientation on the perceived success or business performance of small and medium-sized enterprises. The target population were Micro, Small and Medium Business Enterprises (MSMEs) located in Lusaka central business district registered with the Patents and Companies Registration Agency PACRA as of January 2018 and they were 172,508, however a definite number could not be established as some MSMEs were in the process of deregistration following failure to comply with filing of annual returns (PACRA, 2018). The researcher therefore decided to use Cochran's sample formula to calculate an acceptable sample size to enable the study to draw valid conclusions (Cochran, 1997) while the respondents for the study were selected using non-probability sampling technique, this sampling technique is not chance-based compliance but relies on the researcher's own judgment (Malhotra & Birks, 2007). Under non-probability sampling, the study employed the purposive sampling technique. The sample size included 400 respondents from Lusaka central business district, and the sampling frame was any SME actively conducting business in Lusaka central business district, registered with the Patents and Companies Registration Agency (PACRA) and a member of the Lusaka Town Center Micro, Small and Medium Enterprises Association of Zambia. The results indicated that majority of the respondents agreed that Competitive aggressiveness had a significant effect on Business performance of MSMEs. The Entrepreneurial Orientation variables had a positive and significant effect on business performance. Entrepreneurially Oriented enabled firms to have a competitive edge over firms that was not Entrepreneurially Oriented, as it enabled them to be able to identify opportunities that would not only enable them to be profitable but also enable them to survive in different operating environment. Chota, (2020). The results in this study was in agreement with studies conducted by Quaye & Acheampong (2013), Okangi (2019), Rauch et al (2009). Entrepreneurial Orientations has a tremendous impact on the achievement of small and medium businesses. A detailed evaluation of EO is an addendum to encouraging small and medium companies as one of the most effective tools for accomplishing economic growth and competitive goals (Kazem & Van der Heyden, 2006; Semrau et al., 2016). Nonetheless, several key issues continue to limit the concept's ability to contribute fully to the success of SMEs, because various business individuals possess

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different ideas, which has an impact on how they run their firms and, consequently, how well they succeed. ". Lumpkin and Dess, (1996) described entrepreneurial orientation as "the process, practices and decision-making styles of firms that act entrepreneurially. More specifically, an entrepreneurial firm is defined as one that exhibits five entrepreneurial traits or patterns, namely autonomy, competitive aggressiveness, innovativeness, pro-activeness and risk-taking" (Lumpkin, G.T, Dess, G., (1996). Entrepreneurial orientation "has been noted as a key ingredient for organizational success, that that has been found to lead to higher performance" Soininem, et al, (2013). It is further argued that "firms that possess higher levels of entrepreneurial orientation will perform much better than those with lower levels of entrepreneurial orientation" Watson, (2013).

Research done by Musaana, J. (2014) on assessment of the effect of entrepreneurial orientation on the relationship between opportunity identification and enterprise growth of SME in Zambia employed both qualitative and quantitative methods of research and used the sample size of 86 respondents as this was sufficient to give general representation from the population of 235 SMEs. The scholar had four hypotheses; as regard to the relationship of Opportunity Identification and Enterprise Growth which could not reach significance. The results were attributed to the idea of Wang, Ellinger and Wu, (2013) that entrepreneurial opportunity recognition (Opportunity Identification) has stayed to be considered as a dependent variable by many scholars, such that scholars in this field have principally dedicated much, efforts on evaluating various antecedents that influence an individual's opportunity recognition. This could be the reason why Entrepreneurial Orientation made an astounding effect on the pre-assumed relation above to go on and support the main hypothesis. Most studies have expressed common insights in identifying major individual factors in the opportunity recognition process, including self-alertness, prior knowledge, self-efficacy, and social networks (Ardichvili et al., 2003; Gaglio and Katz, 2001; Baron, 2007) While the relationship between Opportunity Identification and Enterprise Growth might be true and strong in different setups and environments around the globe, this is not the same with Zambian set up. Entrepreneurial orientations on the other hand provided an excellent relationship on both sides of the framework proving that most Zambian entrepreneurs are innovative, proactive and risk takers. The study enabled the researcher to arrive at an emphatic conclusion that Entrepreneurial Orientation has an effect on the relationship of Opportunity Identification and Enterprise Growth such that there would be a weak and/or no relationship that would exist between Opportunity Identification and Business Growth in Zambia without the influence of Entrepreneurial Orientation dimensions (innovativeness, risk taking and proactiveness). In other words, Entrepreneurial Orientation would recuperate the Enterprise Growth by smoothening and/or improving the relationship of Opportunity Identification and Enterprise Growth. Therefore innovativeness, risk taking and proactiveness are principal constructs that are indispensable for boosting the Growth of the Small and medium Enterprises (SMEs) in Zambia. This has been supported by Wiklund (2005) who retaliated the fact that empirically, research has found the influence of EO on enterprise growth.

And according to Gathenya, (2012) "the practice of entrepreneurship focuses on the exploitation of opportunity through creativity and innovation to maximize on potential profits and growth". Lumpkin and Dess, (1996) described entrepreneurial orientation as "the process, practices and decision-making styles of firms that act entrepreneurially. More specifically, an entrepreneurial firm is defined as one that exhibits five entrepreneurial traits or patterns, namely autonomy, competitive aggressiveness, innovativeness, pro-activeness and risk-taking" (Lumpkin, G.T, Dess, G., (1996). Entrepreneurial orientation "has been noted as a key ingredient for organizational success, that that has been found to lead to higher performance" Soininem, et al, (2013). It is further argued that "firms that possess higher levels of entrepreneurial orientation will perform much better than those with lower levels of entrepreneurial orientation" Watson, (2013).

A Research by Daka, A. (2017) on challenges faced by small and medium scale entrepreneurs in accessing credit facilities from Zambia national commercial bank plc headquarters in Lusaka and whose objective was to investigate the challenges faced by SMEs in accessing credit facilities from Zambia National Commercial Bank PLC headquarters in Lusaka. The four specific objective of the study were to determine which credit

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facilities the Zambia National Commercial Bank PLC offers to SMEs, to estimate from the population of SMEs, the proportions that have had a credit facility availed to them by Zambia National Commercial Bank PLC, to describe the challenges faced by small and medium scale in accessing finance from the Zambia National Commercial Bank PLC headquarters in Lusaka? And lastly to understand from the point of view of Zambia National Commercial Bank PLC staff the reasons for offering to some and not offering to some SMEs credit facilities. Study was only about 8 respondents who were bankers drawn from the Credit Department at ZANACO Head Office (unspecified for ethical reasons). In this sample, three respondents were females and five were males. The sample was rather youthful and the youngest was 25 and whereas the oldest was 39. There was a total of 100 questionnaires that were administered to the various SME's that are clients of ZANACO. Out of 100 questionnaires only 64 % were returned. Some claimed that they were busy and could not spare some time to respond to the questionnaires while others were not interested in the responding due to personal reasons. Small and medium scale firms with opportunities to invest in positive net present value projects may be blocked from doing so because of adverse selection and moral hazard problems, Daka, A. (2017).

A study by Nuwagaba (2015) carried out research on Enterprises (SMEs) in Zambia. The main objective was to understand the state of the SMEs sector in Zambia and how they contribute to the country's economic development. Both Primary and secondary data were collected using instruments such as questionnaires, interviews and review of previous literature on the subject. The study was exploratory and qualitative and it revealed that over 90 percent of SMEs operated in the informal sector which made it difficult for the government to support the sub sector efficiently. Therefore, SMEs' contribution to the country's development was not very clear because, majority of SMEs operated in the informal sector and attracting funding from micro finance institutions (MFIs) was a challenge and this made SME sector weak. Entrepreneurs Financial Centre (EFC) was used as a case study which specialized in micro finance institution that provides SMEs lending and the period considered in this research was 2012-2014.

Ndhlovu F, (2022) researched on the assessing the role of entrepreneurship training in the growth of small and medium enterprises in Zambia: A Case of Chongwe District with three objectives which were to identify the types of entrepreneurship training being employed in Chongwe Based SMEs to establish if SMEs where aware of the trainings conducted in the area and to establish how training programs influences business growth of SMES in Chongwe district. The study was guided by two theories, the first being the was first promoted by Penrose (1959). Barney (2001) and Conner (2001) later expanded it. It underlines the significance of empowerment through knowledge acquisition and argues that knowledge empowerment plays a dynamic role in increasing productivity of the SMEs and that of the economy (Romer, 2001). Therefore, SMEs and economies, with highly educated and trained manpower, are more likely to be of high performance compared to those that lack these key resources. The reason behind this notion is that well-educated and trained SMEs are quick at learning and applying new skills and proactive to develop efficiency, productivity, risk taking and innovativeness of the SME (Timmons, 2000). Based on the context in which learning happens, the knowledge-based theory distinguishes between two types of learning and the first one is explorative learning, which comes from within the SME and can only happen through internal experimentation (Zahra, Nielsen, and Bogner, 2000) and is therefore experienced while the second one is exploitative learning, which comes from outside the SME and must be acquired. Learning by doing is a fundamental process of knowledge development for entrepreneurs. Education may help students gain entrepreneurial skills and attitudes while also teaching them how to behave (Middleton, 2010). From a strategic point of view, an entrepreneur who has been trained could easily make the right decisions regarding which markets to enter, what product to produce and the selling prices (Hart, 2002). These decisions consistently differentiate between a high performing and low performing SME (Hart, 2002). Education and training therefore impinge upon analysis, planning, and control processes of the SME (Njoroge & Gathungu, 2013). The entrepreneur's experience in acquiring, assimilating, and utilizing knowledge within and without the SME also influences entrepreneurial behavior. The capacity of an entrepreneur to innovate is determined by his or her prior experience. Entrepreneurs ordinarily abandon those ventures they have come to learn that they bear little returns and focus on those that promise the highest returns

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for a given level of risk. The information obtained via education and training determines a SME's ability to learn. The SME's level of innovation has an impact on the SME's experience while the SME's strategic stance and how it rejuvenates itself over time are determined by its experience (Kisaka,2014). The second theory which was considered for the study was Training needs assessment theory Kaufman and English were the first to create the training needs assessment hypothesis (1979). According to the notion, a true need can only be determined if it is not preceded by the selection of a solution. To conduct a quality needs assessment, first determine the present outcomes, then describe the intended goals. Consequently, the real requirement is defined as the difference between the present and intended results. Once a need has been recognized, a solution that is focused at addressing the gap can be chosen. A need, in the simplest sense, is a measurable gap between two situations, what is now and what should be, according to the theory. The evaluation process identifies problem areas, issues, or challenges that must be addressed. According to Firdousi (2013) training needs assessment forms the most basic common forms of assessment used by human resource development professionals in the workplace. In this respect, needs assessment help to determine when training is needed and for whom. As a result, evaluation ensures that training programs are relevant to the individuals being trained.Training needs assessment offers the information required to build training programs with the main objective of a training needs assessment, according to Firdousi (2013), being in twofold: first, to identify the knowledge and abilities that employees require to function well on the job, and second, to prescribe relevant interventions to fill these gaps. This is in keeping with Watkins and Kaufman's (2002) explanation that needs assessment include determining current circumstances, desired outcomes in the future, and a comparison of the two. Therefore, needs assessment entails making judgements about needs and prioritizing them to guide decisions about what to do next. According to Goldstein (1991), needs assessment should be holistic in form to prevent misdiagnosing non-training issues as training issues. Hence, the process includes determining specific training needs of individuals in the firm or organization and then selecting the most appropriate training content and delivery methods, evaluating the effectiveness of the training procedures before it is delivered. It can also be useful in analysing the organizational context in terms of resources, management support, and other factors that may impede or help the successful implementation of a training effort.

To estimate SME performance, perceptual performance measures were used, which were based on self-reported ratings. Owner/managers were asked to rate the importance of each of the specified performance factors on a three-point scale ranging from 1 to 3, with 1 equaling "decreased" and 3 equalling "increased." Profit growth, sales growth, and productivity, average number of full-time and part-time employees, and customer happiness and loyalty were among the dimensions. As a result, training procedures, performance, benefits, and obstacles were used as keywords in this study. This study used a quantitative research design while Quantitative techniques was used to determine the levels of awareness, influence and the types of training conducted. This approach required gathering statistical data that was used to test the variables developed for this study. According to Cooper and Schindler (2011), quantitative data consists of responses that have been classified, categorized, and converted to numbers so that they may be manipulated for statistical analysis. The study was conducted in Chongwe district of Lusaka province, Zambia and the population was 141,301 (CSO 2010). SMEs located in the Chongwe business centre for the study mainly involved in the retail/ wholesale trade sector only. The Population comprised of 1000 SMEs in Chongwe District, registered under the Chongwe District Chambers of Commerce Trade and Industry from which a sample size of 100 SMEs was picked. The study concluded that Entrepreneurial training is essential for skills development, attitudes, and behaviours necessary to create jobs, generate economic growth, advance human welfare, and stimulate innovation to address SMEs related economic challenges as this would be a catalyst for economic development ,Ndhlovu F, (2022) which was also consistent with literature findings by World Economic Forum (2009).

Zambezi ,E and Bomani, M (2025) carried out a study on the influence of entrepreneurial characteristics on the profitability of SMEs in Zambia and tested seven hypothesis as follows ; An entrepreneur’s innovativeness influences the profitability of SMEs in Zambia, Risk-taking positively and significantly influences the profitability of SMEs in Zambia, Autonomy significantly influences the profitability of SMEs

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in Zambia , Proactiveness significantly influences the profitability of SMEs in Zambia, The need for achievement positively and significantly influences the profitability of SMEs in Zambia, Self-confidence significantly influences the profitability of SMEs in Zambia, and lastly Education and experience significantly influence the profitability of SMEs in Zambia. The target population comprised of 27,000 SMEs registered with the Patents and Companies Registration Agency (PACRA) and located along the Zambia Railway line covering Livingstone, Lusaka, Kabwe, Ndola, Kitwe, Chingola, and Chililabombwe with a sample size of 270 SMEs. The results of the study indicated that the Entrepreneurial characteristics significantly influenced SME profitability in Zambia and among these characteristics, factor analysis results revealed that autonomy is the most influential characteristic on SME profitability, suggesting the need for flexibility and swiftness in decision making by SME owners, Zambezi, E and Bomani, M (2025).

- *The Effects of Innovation Capabilities on the Growth of MSMEs*

Purwati, A. et al (2021) a research on the effect of innovation capability on business performance: The role of social capital and entrepreneurial leadership on SMEs in Indonesia with seven research hypotheses namely social capital has a significant effect on the innovation capabilities of SMEs, Entrepreneurial leadership has a significant effect on the innovation capabilities of SMEs, Social Capital has a significant effect on the performance of SMEs, Entrepreneurial leadership has a significant effect on SMEs business performance, Innovation capability has a significant effect on SMEs business performance, Entrepreneurial leadership has a significant effect on SMEs business performance in mediation by Innovation Capabilities and lastly Innovation capability has a significant effect on SMEs business performance in mediation by innovation capability. The study considered the population of 2887 registered Small and Medium Enterprises (SMEs) at the Cooperatives and SMEs Department of Pekanbaru and with the sample size of 352 SME sector companies consisting of 19 medium-sized enterprises and 333 small enterprises out of a total population of 2887 small and medium-sized enterprises. The sampling methodology used was chance sampling and simple random sampling methods and the measurement in the questionnaire was carried out using a 5-point Likert scale. While the size of the variables in this study consisted of Measures of the success and performance of SME businesses using 1 for Quality, 2 for Time, 3 for Finance, 4 for Customer Satisfaction, and 5 for Human Resources (Hudson et al., 2001). Furthermore, the innovation capability of SMEs was measured through several indicators, namely 1 for Learning capability, 2 for Sources of innovation, 3 for Technological efforts, 4 for Innovation culture which refers to continuous improvement, 5 for Involvement of external parties, and 6 for Support from other institutions. Then, the social capital variable in this study was measured through 3 measurement indicators developed from Nahapiet and Samanta (1998) and Claridge (2004) namely 1 for relational capital, 2 for cognitive capital, and 3 for structural capital. Meanwhile, indicators of entrepreneurial leaders' behavior in this study consist of 1 for Proactive, 2 for the tendency to take risks, 3 for Innovative, 4 for Building commitment and 5 for ethics. This research study resuls showed that entrepreneurial leadership can create ideas that can directly or indirectly affect innovation, Purwati, A. et al (2021). Purwati, A. et al (2021) also indicated that Businesses do not innovate in isolation but require contact with their surroundings and that further, innovation capabilities play an important role in influencing business performance supported by Calantone et al., (2002) who said Innovation is an important determinant of SME business performance in facing today's competition. Rexhepi (2014) studied the impact of innovation in SME performance in Kosovo, finding that SMEs primarily focus on product improvement rather than introducing entirely new offerings. This highlighted the need for encouraging a culture of experimentation and exploration, fostering greater ambition in innovation efforts.

In Sri Lanka, Heenkenda, H et al. (2022) researched on the role of Innovation Capability in enhancing sustainability in SMEs: An Emerging Economy Perspective, seeking to solve how innovation capability enhances sustainability in Small and medium scale enterprises (SMEs) The sample size was selected from the following affiliated organizations in Sri Lanka: Small Enterprises Development Division (SEDD), National Chamber of Commerce of Sri Lanka (NCCSL) and National Enterprise Development Authority (NEDA). After evaluating the various definitions of SMEs, we selected a population sample comprising enterprises with 11–300 workers from the Western, Central, Southern and Northwestern provinces of Sri Lanka. These four

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provinces were selected because 70% of SMEs in Sri Lanka were established in these regions. A sample of 384 owners of SMEs in Sri Lanka was included in the study and a quantitative research technique was used. A cross-sectional approach was adopted using a self-administered questionnaire in the form of a standardised measuring instrument. The Structured questionnaires which was utilized to collect the data were divided into five sections: Section1 demographic factors, Section 2 innovation capability, Section 3 disruptive technology, Section 4 knowledge creation and Section 5 sustainability in SMEs. The questionnaire was developed following a rigorous literature review. They were seven hypothesis the researcher tested that is Innovation capability positively affects sustainability in SMEs, Disruptive technology positively affects sustainability in SMEs, Innovation capability positively affects disruptive technology, Disruptive technology mediates the relationship between innovation capability and sustainability in SMEs, knowledge creation positively affects sustainability in SMEs, Innovation capability positively affects knowledge creation, and knowledge creation mediates the relationship between innovation capability and sustainability in SMEs.

The sample size for this study was 500 distributed among the SMEs Owners and managers and of these,116 were removed and 384 were used in the analysis, representing a 76.8 per cent response rate. The variables which were measured in the questionnaire explored four main concepts of innovation capability, disruptive technology, knowledge creation and SME sustainability with measurement scales used derived from scales existing in prior research. The survey was a checkbox type, with responses measured on a seven-point Likert scale (1: “Strongly Disagree” to 7: “Strongly Agree”). According to the findings Heenkenda, H et al. (2022) indicated that innovation capability had a direct beneficial influence on SME sustainability and that there was a relationship Between disruptive technology and SME sustainability. A further review of the study confirmed a relationship between knowledge creation and SME sustainability and that innovation had the potential to improve SME sustainability. Heenkenda, H et al. (2022) also indicted that there was direct Impact of innovation capability on disruptive technology and Knowledge creation.

In Indonesia Troso Jepara, Sulistyo, H and, Siyamtinah, (2016) conducted a study to examine the influence of entrepreneurship, marketing capabilities, relational capital and empowerment toward the innovation capability and performance in the woven industry throughout Troso Jepara with the population consisting of 283 companies and the sample of 150 people using a purposive sampling method. The researcher conducted tests on 10 hypothesis which included that Entrepreneurship significantly influences innovation capabilities, Entrepreneurship significantly influences performance, Marketing capability significantly influence innovation Capability, Marketing capabilities significantly influence performance, Relational capital significantly influences the innovation capability, Relational capital significantly influences the performance, Empowerment significantly influences innovation capabilities, Empowerment significantly influences performance, Innovation Capability influences performance and Performance significantly influences competitive advantage. The findings indicated that good innovation capabilities in the organization will encourage innovation and sustainable product development, Sulistyo, H and, Siyamtinah, (2016). Further that corporate innovation capabilities could be enhanced through improving the spirit of entrepreneurship, marketing capabilities, ability of relational capital and the empowerment of employees in the organization. Sulistyo, H and, Siyamtinah, (2016) also indicated that the higher the innovation capability produced by the organization, the better the business performance.

Research by Sulistyo, H and Ayuni S, (2019) on the Competitive advantages of SMEs: The roles of innovation capability, entrepreneurial orientation, and social capital in Semarang, Jepara, Kudus, Indonesia. The objective was to examine the influence of entrepreneurial orientation and social capital on innovation and performance capabilities in achieving the competitive advantage of small and medium enterprises (SMEs). And there were seven hypothesis which was tested for the study namely that Entrepreneurial orientation had a significant effect on innovation capability, that social capital has a significant effect on innovation capability, that Entrepreneurial orientation had a significant effect on performance, that Social capital had a significant effect on performance, that Innovation capability had a significant effect on performance, that Innovation capability had a significant effect on competitive advantage and lastly that Performance has a significant effect

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on competitive advantage. The sample in this research involved the actors of SMEs in the creative and handmade fashion industry in Central Java, Indonesia comprising of 300 people, however questionnaires that were filled and returned where only 254 people representing a response rate of 84,67%. The sampling method was purposive and was based on the consideration of SMEs in creative and handmade industries that had been operating for at least 10 years, having employees of at least 20 people and its business still existing at the time of the research. And before the questionnaires could be given to the respondents, trials on 20 SME owners were conducted by surveyors to determine the level of understanding among respondents regarding the questions given. Sampling was conducted on SMEs which had been operating for at least five years, having employees over 10 people and still existed up to the time of the research. Data were collected by using survey method through closed and open questionnaires and interview. Data analysis was done by using the structural equation model with AMOS program. Sulistyo, H and Ayuni S, (2019) concluded that Innovation capabilities had a significant effect on performance and competitive advantages. Companies and SME's who are always looking for the new methods of sustainable design and quality were the first activator to benefit, Heru S and Ayuni S. (2019) supporting the findings of Wu and Sivalogathasan (2013) which propagated that high innovation capabilities in organizations improved company performance.

A study by Eguji, E. (2024) on Effect of Innovation Process on the Performance of Small and Medium Enterprises (SMEs) in Ebonyi State, Nigeria was conducted with two specific objectives namely;to ascertain the effect of value creation on the output of SMEs in Ebonyi State and to examine the effect of collaboration on the effectiveness of SMEs in Ebonyi State. The study included 283 business owners and staff using a descriptive survey design approach. Eguji, E. (2024) concluded that Value creation and cooperation have a significant positive impact on the productivity and effectiveness of SMEs in Ebonyi State. As businesses traverse the complexities of the digital world, the importance of a well-defined innovation process becomes not just evident, but also critical for staying ahead of the curve. Despite having easy access to new procedures, most SMEs operated at a lower level of production and performance Eguji, E. (2024). Eguji, E. (2024) further highlighted that SMEs to succeed in this new technical and innovative business environment, they needed to embrace innovation and the use of new technologies. Innovation is particularly critical for SMEs in developing countries, where access to resources and infrastructure could be limited. Ndesaulwa1 and Kikula (2016) reviewed empirical evidence on the impact of innovation on SME performance in Tanzania. They found a lack of consistent results, highlighting the need for more research in the African context. This underscores the importance of understanding the specific challenges and opportunities faced by SMEs in developing countries, thereby tailoring innovation strategies accordingly. Even in more developed economies, SMEs often focus on incremental innovations, improving existing products rather than developing entirely new ones, Issau, Acquah, Gnankob, and Hamidu (2020) investigated the innovation orientation and performance of small and medium-sized enterprises (SMEs) in Ghana: evidence from the manufacturing sector. The purpose of the article was to investigate the impact of innovation oriented variables on the performance of manufacturing small- and medium-sized businesses (SMEs) in Ghana. This experiment used probabilistic sampling methods, namely the simple random approach. A total response rate of around 81% was obtained from a 346-person sample. Furthermore, the PLS-SEM technique was used to find correlations between the research variables. According to the research, market innovation had a significant impact on the success of SMEs. In contrast, no significant positive relationship was found between process innovation and SMEs' performance, as well as product innovation and SMEs' performance.

In Nigeria, Emmanuel and Willie (2020) investigated Small and Medium-Sized Enterprises (SMEs) and Economic Growth. The study analysed the influence of Small and Medium Scale Enterprises (SMEs) on economic growth in Nigeria, utilizing data from 1986–2018. The acquired data was analysed using the Vector Auto regression (VAR) approach. The calculation's findings suggested that SMEs' production growth rate has a considerable positive influence on GDP growth rate (a proxy for economic growth). Furthermore, SMEs accounted for 61% of GDP growth. Thus, the poll concluded that SMEs were driving Nigeria's economic growth, Emmanuel and Willie (2020). The report proposed that the Central Bank of Nigeria guarantee that

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SMEs had improved access to funding at a lower cost in order to boost their growth, Emmanuel and Willie (2020).

Kassa, T and Kegne, M (2025) conducted a study on factors affecting innovativeness of small and medium enterprises in Benishangul Gumuz Regional State, Ethopia. of SMEs in the Benishangul Gumuz regional state using mixed research approach.The specific objectives were to assess the level of innovativeness of small and medium enterprises in Benishangul Gumuz regional state (BGRS), to identify whether there is a significant difference in the level of innovativeness among SMEs based on the gender of innovators in Benishangul Gumuz regional state (BGRS) and to investigate the relationship between access to finance, technological capability, skilled personnel, organizational culture, government support, research and development, and the innovativeness of small and medium enterprises in Benshangul Gumuz Regional State (BGRS). The study tested seven hypothesis, the first one being that access to finance has a positive significant effect on the innovativeness of SMEs and second one being that Government support has a positive significant effect on the innovativeness of SMEs ,the third hypothesis being that Skilled personnel have a positive significant effect on the innovativeness of SMEs and the fourth hypothesis being that Technological capability has a positive significant effect on the innovativeness of SMEs while the firth one being that Organization's innovation culture has a positive significant effect on the innovativeness of SMEs, the six hypothesis was that there is a significant difference in the level of innovativeness among SMEs based on the gender of innovators and the seventh one was that Research and Development have a significant positive effect on the innovativeness of SMEs. The researchers in this study used a mixed research approach, which combines both quantitative and qualitative research methods. According to Cresswell (2012), this approach involved collecting, analyzing, and triangulating results from both types of data to better understand a research problem. The aim of using a mixed research approach was to take advantage of the strengths of each method while minimizing their weaknesses.

The sample size was 354 from the total population of 3108 SMEs. The findings of the study indicated that the Government support was the main factor that influenced innovativeness of enterprises, Kassa, T and Kegne, M (2025). And whenever government support was extensive, it inspired the owners of these enterprises to create new products. In Ethiopia, small and medium enterprises have been recognized as significant drivers of economic growth and poverty reduction. Several policies and strategies such as the SME Development Strategy, Industrial Policy, and National Micro and Small Enterprises Strategy have been implemented by the government to promote and support this sector. Additional initiatives like the establishment of the Federal Micro and Small Enterprises Development Agency in 1998 have been taken to emphasize the importance of SMEs and their innovative potential. The country's industrial policy in 2003 and poverty reduction strategy in 2006 further highlighted the crucial role of innovative SMEs in creating a productive and vibrant sector and reducing poverty. These policies have been emphasized the need to provide support to innovative enterprises, including financial assistance, training, and infrastructure services. The data was analyzed using descriptive statistics, correlation, and regression analysis and used SPSS version 25 software for descriptive, independent samples t-test, correlation, and multiple regression analysis. Descriptive analysis method included frequency, percentage, mean, and standard deviation. These methods were selected to describe the innovation status of SMEs in Benishangul Gumuz regional state.

Okohue, R. (2019) researched on effect of innovation on performance of small and medium enterprises (SMEs), a study of some selected SMEs in Abuja municipal area council, Nigeria.The three objectives of the study where to examine the effect of firm product innovation on the performance of SMEs, to determine the effect of product innovation on customer satisfaction and to ascertain the effect of process innovation on employees' performance of selected SMEs. While the three hypothesis tested of this study were that Firm product innovation had no significant impact on the performance of SMES in Abuja Municipal Area Council, the second hypothesis was that Product innovation had no significant effect on customers' satisfaction in Abuja Municipal Area Council and lastly that Process innovation had no significant effect. The theoretical framework of the study looked at three theories, first one was the Theory of Innovation, Technology-

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Organization-Environment Model (TOE) by Joseph. A. Schumpeter, who believed that an entrepreneur could earn economic profits by introducing successful innovations. In other words, innovation theory of profit posits that the main function of an entrepreneur is to introduce innovations while the profit are the form of reward given for his/her performance. According to Schumpeter, innovation refers to any new policy that an entrepreneur undertakes to reduce the overall cost of production or increase the demand for his products. Thus, innovation can be classified into two categories; the first category includes all those activities which reduce the overall cost of production such as the introduction of a new method or technique of production, the introduction of new machinery, innovative methods of organizing the industry (Schumpeter, 1990). The second theory was the Technology Acceptance Model (TAM) propounded by Tornatzky and Fleischer (1990) stated that innovation adoption depends on Technological, organizational and environmental factors. There are several research such as Ifinedo (2011) who revealed from his studies based on the Technology-Organization-Environment Model (TOE) framework factors that affect e- business acceptance and usage in small and medium enterprises included variables as organizational readiness, top management support, financial resources, perceive cost of deploying ICT. The population of the study where all the SMEs in Abuja Municipal Area Council which were two thousand and twenty-five (2,025). The population included enterprises like barbing, tailoring, restaurant, shoemaking, pure water business, clinics, schools, retailers, among others. The sample consisted of all the managers and owners of SMEs in Abuja Municipal Area Council with a sample size of three hundred and twenty-five (325). The descriptive statistics was used to analyze the data. Percentage, mean score and standard deviations were used to analyze data and the findings of the study indicated that product innovation has positive impact on customers satisfaction; Further, the findings reviewed that new changes in the product had significant impact on customers' satisfaction. Significant changes in products increases demand while innovation in products increases firm's profit, Okohue, R. (2019). The findings were supported by Davila (2006), Process innovation has significant positive effect on employees' performance of SMEs in Abuja Municipal Area Council and improved process has positive impact on employees' productivity while adopting better technologies increases employees' competency, Okohue, R. (2019).

A research by Malolo E and Kabubi M, (2026) who conducted a study on examining the effects of business Innovation among indigenous small-scale businesses in Chongwe constituency, Chongwe district ,Zambia. The objectives of this study where to analyse the effectiveness of innovation on the profitability of indigenous small-scale businesses , to establish business management and survival strategies used among indigenous small-scale businesses and to assess business innovation and creativity practices utilized among indigenous small scale businesses. The researcher had used probability sampling method so that every participant had equal chance of being selected in the study with a sample size of 100 SMEs in Chongwe and it employed both descriptive and regression analysis to estimate the impact of innovation. Findings of the study indicated that Small and medium-sized enterprises employees/owners were young male-dominated, Malolo E and Kabubi M, (2026). The study was underpinned by the delineation of Epistemological thought which is the nature, sources of knowledge or facts, (Creswell, 2015; Saunders, 2016, Saunders, 2019), and was invigorated in the realm of the pragmatic philosophy herewith the consequences of actions, (Dudovskiy, 2018; Dawadi et al., 2021; Muzata, 2017; Saunders & Thornhill, 2012). Additionally, Deductive (Testing), (Murphy et al., 2014; Muzata, 2017) was applied. Furthermore, the researcher had applied Explanatory-Relationships and Effect, (Creswell and Plano Clark, 2011), generated within the domain of descriptive case study (Brondy, 2020). The sample size was calculated using the Slivin formulation. The conclusion was that Innovation had a significant impact on the performance of SMEs in Chongwe constituency of Chongwe district, Malolo E and Kabubi M, (2026). Further, that the effects on SMEs of product innovation, marketing innovation, and organizational innovation were statistically significant. Therefore, it was summarised that innovation had a positive impact on firm performance. The result of this study was consistent with those of Rosli & Sidek (2013), Terziovski (2010), Ndalira, Ngugi & Chepkulei (2013), and Twaliwi & Isaac (2017). SMEs employing robust Environmental Scanning practices are likely to exhibit higher levels of Innovation and in addition engagement with external trends and insights would foster a culture of innovative thinking, a critical success factor for SMEs. In view of the foregoing, innovation in SMEs can manifest in various forms,

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such as product innovation, process innovation, and business model innovation. This result was also consistent with theories that emphasize the importance of innovation for firm performance, Malolo E and Kabubi M, (2026).

Nalumino, I (2023) A research on an evaluation of the factors that affect Small and Medium Enterprises (SMEs) digital services industry in facilitating economic development in Zambia. This paper aimed to evaluate the factors that affect SMEs in the digital service industry in facilitating economic development in Zambia. The paper investigated factors such as financial capital, socio-economic factors; innovation; and government policies; of Small and Medium Enterprises (SME) on facilitating economic growth in Zambia. It drew on existing literature from which primary data was collected through surveys and interviews with SMEs in the country. The research design, adopted for this study, involved a mixed method approach using both qualitative and quantitative methods that aligned with the pragmatist research philosophy with the deductive research approach. The questionnaires were administered both physically and electronically (using Google Forms) because they allowed the questionnaires to be distributed quickly and cover a wide range of SMEs. This method also saved resources and helped in a well representation of the population. The population of this study for primary data was taken from the SMEs in Zambia. According to World Bank Group (WBG), (2020) Zambia had a Population of 1,020,000 Informal and Formal SMEs. A selective sampling process was used to identify SMEs in the digital service industry in Zambia. Secondary data was gathered from different published reports by government SMEs regulating agency known as Zambia development Agency (ZDA), PACRA, Bank of Zambia, Zambia Statistics Agency (Zamstats), and Zambia Revenue Authority (ZRA). The sample size was calculated by using the Taro Yamane's Statistical formula and was determined by using the confidence interval of 10% on the estimated population size of SMEs in Zambia. The target respondents in the study where 100 SMEs specifically drawn from the service delivery industry out of the Population of 1,020,000 Informal and Formal SMEs in Zambia. The findings of the study revealed that Innovations such as Information and Communication Technologies (ICTs) provide SMEs with an affordable and efficient platform to market their products and services and expand into the digital service industry, Nalumino I (2023). Innovation in the SMEs service industry has become increasingly important for SMEs in Zambia as they look to compete in a rapidly changing digital service industry. However, access to innovative technologies and resources remained a challenge for many SMEs in the country. The findings also indicated that Innovation in digital service industry enabled firms to create new products and services, enter new markets, and increase efficiency and competitiveness. In support of the findings is the report by the World Bank (2020) which found that innovation is a key driver of productivity and economic growth, especially in the digital service sector. The report highlighted that firms that invest in innovation and R&D are more likely to experience rapid growth and success in the digital service industry. A study by the United Nations Development Programme UNDP (2019) also found that SMEs in Zambia faced several barriers to innovation, including limited access to financing, lack of technological skills, and limited access to market information. The study found that many SMEs in Zambia struggle to keep up with technological advancements and to adopt new and innovative technologies, which limits their competitiveness in the market.

In a study conducted by the Zambian Financial Sector Deepening Limited (FSD) (2021) revealed three key insights: first, Zambians were more likely to raise money informally through friends and family, than through banks or the public sector. Secondly, the businesses that managed to succeed during the pandemic became increasingly concentrated in the service sector over time. Third, Zambia's micro- and small businesses did not make the leap into digital sales or payments to address shortfalls in revenue. Another study by the Small Enterprise Development Agency SEDA (2018) found that SMEs in Zambia were facing a significant digital divide, with many businesses lacking the resources and knowledge to take advantage of new digital technologies. The study found that SMEs in Zambia often struggled to stay ahead of the competition, and that many were unable to offer innovative digital services that met the demands of their customers.

Ndila L et al, 2025 researched on the mediating role of Innovation in strategic management Practices and SME Performance: Insights from Emerging Markets in Zambia. The study investigated the mediation effects

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of Innovation on the interaction between Strategic Management Practices and the business performance of SMEs in Kabwe District. The study had four objectives namely to investigate the mediating role of Innovation in the relationship between Environmental Scanning and the Performance of SMEs in Kabwe District, to explore the mediating role of Innovation mediates in the relationship between Strategy Formulation and the Performance of SMEs in Kabwe District, to understand the mediating role of Innovation on the relationship between Strategy Implementation and the Performance of SMEs in Kabwe District and to find out the mediating effect of Innovation on the relationship between Strategy Evaluation and Control and the Performance of SMEs in Kabwe District with the sample size of 220. The theories which guided this study where the Resource Based Theory (RBT) which stresses the vitality of resources both tangible and intangible in the running of organizations, (Hillman et al., 2009; Abosede, 2016; Banda and Mwange, 2023), and the Dynamics Capabilities Theory (DCT) which invigorates the cardinance of the external environment in the functionality of the businesses, (Teece, 2016; Teece et al. 2016; Teece, 2018; Samsudin & Ismail, 2019), herewith conceptualized as SMEs.This paper investigated the mediating role Innovation in the relationship between strategic management practices herewith cited as (Environmental Scanning, Strategy Formulation, Strategy Implementation, Strategy Control and Evaluation Strategy Implementation) and SME Performance with lessons from Kabwe District, Zambia. The study was premised against the backdrop that Zambian SMEs, especially those in Kabwe district, continued to face devastating ramifications in operations and progression, (Mwaanga et al. 2021; Ministry of Commerce Trade and Industry, 2020; Mukosa et al. 2020; Mwaanga et al. 2020; Mwewa, 2018; Mwika et al. 2018).

The findings of the study revieled that Innovation did not significantly mediate the relationship between strategic management practices (SMPs) and the performance of SMEs in Kabwe District. SMPs, including environmental scanning, strategy formulation, and strategy evaluation, directly influenced SME performance without the intermediary role of innovation, Ndila L et al, (2025). These findings were in consistency with other studies in developing nations which asserted that SMEs in developing nations were not innovative because of lack of access to resources and infrastructure. In that vein, Ndesaulwa1 and Kikula (2016) in Tanzania found a lack of consistent results, highlighting the need for more research in the African context. Similarly, Rexhepi (2014) in Kosovo also found that SMEs primarily focused on product improvement rather than introducing entirely new offerings. Similar views were held by Ismail et al. (2014) in Malaysian SMEs.

- *The Role of Market Orientation in Driving MSME Business Growth*

In Philippines Matao, K. et al (2025) conducted research on Strategic Management and Market Orientation as Influencer of Business Performance among Small and Medium Enterprises It examined how small and medium-sized enterprises (SMEs) in Santo Tomas, Davao del Norte, were affected by strategic management and market orientation on the company performance. This study mainly focused on the retail SMEs in the Municipality of Santo Tomas to emphasize the significant understanding concerning strategic management and market orientation as an influencer of business performance. Therefore, this study's overarching goal was to fill what was lacking in the literature by investigating the ways in which strategic management and market orientation could boost the performance of small and medium-sized businesses (SMEs), with a focus on the local environment. The purpose of this study was to investigate whether a correlation existed between the successes of SMEs and their strategic management and market orientation practices. The theory of the study used the Resource-Based View an idea of Barney (1991). This theory elaborated that companies could acquire a competitive edge by utilizing distinct resources and skills, which formed the basis of this research. Using these resources to boost performance was a key component of effective strategic management. According to Paliwal and Sanexa (2023), when it comes to strategic management, a company's unique internal resources for those that are valuable, rare, hard to replicate, and well-structured are the most important factor in securing a competitive advantage and improving business performance. Strategic management allows firms to make educated decisions that enhance their market position and propel overall performance by analyzing industry structure and competitive landscapes, as highlighted by the Five Forces Model of Porter (1980). On the other hand, this study was also anchored in the Stakeholder Theory by Freeman (1984), which stated that Firms should prioritize the needs of all stakeholders,

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including customers. Focusing on understanding and meeting market demands aligned with the interests of various stakeholders, ultimately contributes to better business performance. According to Musa and Lysenko (2022), Stakeholder theory highlights the value of involving diverse stakeholders in business decisions. This approach fosters a greater understanding of market needs, ultimately resulting in better business performance and positive financial results. Customer Relationship Management by Payne (2005) also stated the significance of understanding and responding to customer needs. A strong market orientation enables businesses to implement effective customer relationship management strategies, fostering loyalty and retention, and driving better business performance. The conceptual framework of the study had two independent variables, the first independent variable was strategic management, which included the indicator of formulation. This aspect of strategic environmental management meant proactive planning to address environmental challenges that could have impacted a company's success and considered its strengths and weaknesses. It was about creating long-term strategies to manage environmental opportunities and challenges. Then the second indicator under strategic management was implementation, which referred to the process of putting management plans, methods, and rules into action across different areas like growth programs, financial plans, and procedures. And if a business could not execute these strategies effectively, it was going to quickly fail. (Rani, 2019). It involved a process of putting a company's strategies into action to achieve its goals, and breaking down strategies into specific tasks and making sure the company had the resources it needed to succeed. While the third indicator under strategic management independent variable was monitoring, which referred to collecting and analysing information to see if the business was moving toward its goals. Strategic control was about acting based on what you learn from this analysis (Lastiri, 2023). It was about monitoring and assessing how well a company was doing in reaching its goals. This was important to make sure strategies were working and adjusted if need be. The last and fourth indicator in strategic management involved leadership, which referred to effectiveness and it was about the leader's ability to share the business goals and values with employees and make good decisions for the organization without having to rely on strict rules and regulations Abu Mostafa et al., (2021). In this study, this referred to a leader's ability to guide a company towards its goals. It involved inspiring employees, creating a company culture that supported the goals and making sure everyone is working towards the same vision. (Varghese, 2024) and it involved planning and creating a roadmap for a business to achieve its goals. The second independent variable in the study was market orientation, specifically focusing on customer orientation, which involves a framework that prioritizes the customer above all other stakeholders within the organization. In essence, customer orientation entails understanding customer desires and needs, predicting their actions, and responding in an appropriate manner (Andreassen, 1994, as cited in Aulia and Soetjipto, 2022). In this study, this referred to a strategic approach where companies made sure that what is offered matches customer wants. This was important for staying successful and competitive in the long run. The second indicator under market orientation which was looking at customer orientation was competitor orientation, which referred to a business strategy that focuses on outperforming other businesses in the market. It means striving to be better than competitors in terms of products, services, or business practices Ferreira et al., (2020). This involved analyzing competitors' strategies, strengths, weaknesses, and market positioning. By systematically monitoring the competitive landscape, organizations can make more informed decisions and enhance competitive advantage. The third indicator was inter-functional coordination, which refers to working together to share resources, information, and collaboration, which helps build trust with customers. It was like a psychological connection between employees, managers, and departments, all working together to achieve a common goal Boonmalert et al., (2020). In this study, this involved helping different departments work together and share information to improve how the business works, create new ideas, and perform better.

The dependent variable of the study was the business performance with the following indicator, first the financial performance, which refers to a subjective assessment of a business's ability to utilize its core business assets to generate revenue. Using a descriptive methodology, and the study sought to understand the relationship between SME strategic management, market focus, and financial performance. As part of this strategy, researchers used statistical analysis to measure the relative importance of these factors. Moreover, the correlational method was employed to examine the linkage between market orientation and business

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performance, as well as the link between strategic management and business performance. Small and medium business owners from Santo Tomas, Davao del Norte, participated in this study. There were 200 small and medium-sized enterprises (SMEs) which made up the overall sample for the research. The sample size and total number of respondents were also determined using a stratified sampling procedure while the data were analysed using a quantitative descriptive-correlational approach. The study tested three hypothesis namely that for SMEs, the correlation between strategic management and company performance was weak, secondly that in small and medium firms, there was no substantial correlation between market orientation and business performance and lastly, and lastly that small and medium-sized businesses' performance was unrelated to strategic management and market orientation. SMEs consistently apply market orientation principles. Matao,K. et al (2025) indicated that the strategic management had a significant impact on business performance. Moreover, it implied that SMEs generally had a strong foundation for improving business performance. Additionally, the findings highlighted that SMEs where well-equipped to navigate their strategic goals effectively to enhance business performance. The results of this study showed that SMEs consistently applied market orientation principles. The components of customer orientation and inter-functional coordination indicated a strong presence in SMEs and further reinforced the alignment of business functions with market needs. However, moreover, the findings confirmed that market orientation remained significant across SMEs, indicating that it had a strong market focus, enabling them to deliver value-based propositions that enhanced customer satisfaction and drove business growth. There was a significant relationship between strategic management and business performance among small and medium enterprises. And based on the result of the study, SMEs are able to adopt effective strategic management practices that enhance their business performance. Additionally, market orientation showed a significant link to business performance within small and medium enterprises. The study's findings suggested that SMEs that concentrate on market aspects such as customer needs, competition, and the external environment were likely to achieve better performance. Strategic management significantly influenced business performance among small and medium enterprises, Matao, K. et al (2025).

Nikmah, F et al (2020) conducted a study on the role of SMEs' market orientation in developing countries: A general investigation in four countries namely Nigeria, South Africa, Turkey and India and it examined the role of market orientation in SMEs, where there was an assumption that market orientation could only be performed by large companies. The conceptual framework of this study was based on four main variables and three free variables, they are: customer orientation, competitor's orientation and inter-functional coordination that represent the structure of market orientation. And one more related variable is performance. The data were collected through a field survey using a structured questionnaire. The respondents were business owners or managers of all small manufacturers located in Agra and Firozabad cities, the north India. Both cities are well-known for its shoes and glass product manufacturing. From the direct survey, the respondents are both small and micro businesses. In addition, to examine a direct relationship between MO and SME performance, this study also used an indirect testing between market MO and SME performance. The mediating variables used are LO and innovativeness. It was done with 157 SMEs in Turkey and the respondent were managers from the manufacturing industry, construction, textile, food, chemical, transportation and electronic sectors, in which each industry had the maximum number of employees – 250 people. This study proposed three things. First, testing the mixed effect of MO and LO on innovativeness and SME performance, second, this study was conducted in a developing country, the east Turkey, that is close to Asia. Some steps were chosen, namely, market orientation, learning orientation, and innovation that are made based on the western perspective. The step was chosen, since it was necessary to have a global perspective of developing SMEs, instead of having the ethnocentric perspective and lastly the study had explored new fields of SMEs, namely: social knowledge network, human connections to foster innovation, organizational memory, culture, and trust toward SMEs. Market orientation could directly and indirectly affect performance. The findings indicated that the availability of these variables forces market orientation to work better when influencing performance, the indirect impact was stronger than the direct one, Nikmah, F et al (2020). Further the results showed that LO had a higher effect on the SMEs' innovation and performance and at the same time, MO was needed to have effective Learning Orientation (LO). In conclusion, MO was customized with the LO to have better SME performance.

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The study affirmed that market orientation was a significant predictor of performance, therefore, to be successful, SMEs needed to focus on market orientation. Further, it was mentioned that performance and market orientation were related to each other in a strong and positive correlation. An SME was categorized as having good performance, if it focused on customers and fulfilling the customer needs but however, simply fulfilling the need was not the key to success. Based on the theoretical and empirical analysis mentioned above, market orientation could directly and indirectly affect performance. The indirect influence occurred if there were mediated variables such as Total Quality Management (TQM), Access to Financing (AF), Learning orientation and Innovativeness. The availability of these variables forces market orientation to work better when influencing performance (the indirect impact is stronger than the direct one). The results of the study showed that the influence of the variables gave suggestion or contribution to the performance of SMEs in financial and non-financial terms. Developing a case, object and topic that can contribute to the development of SMEs in other field such as human resources, finance, marketing and production.

Becherer, R. et al (2003) conducted a study in New England on Marketing Orientation in SMEs: Effects of the Internal Environment.The research research objective of this study was to explore the circumstances in the internal environment under which marketing orientation varies in small and mid-sized firms. Specifically, what levels of marketing orientation could be observed in SMEs? In addition, under what company, leader, and performance characteristics where low marketing orientation levels observed? Under what conditions would marketing orientation remain high? The specific internal variables examined included performance of the SME in terms of sales and profit, characteristics of the company (e.g., size and scope of the business), and characteristics of the company CEO such as age, education, decision making style, and entrepreneurial experience with a sample size of 683small business CEOs located in large mid-western metropolitan areas. Five Hypothesis tested where that the Marketing orientation levels do not vary among SMEs across company characteristics such as firm size, age, scope, or competitive advantage, that Marketing orientation levels do not vary among SMEs across business performance levels such as change in sales or profits, that Marketing orientation levels among, Becherer, R. et al (2003). The data collection procedure included an initial post card alerting the respondent to the study and two subsequent mailings of the questionnaire and return envelope. The data was collected by questionnaires mailed to 683 small business CEOs located in large mid-western metropolitan areas. These respondents were drawn from a list of firms that had previously participated in a university Small Business Institute consulting program over a 12-year period. Many of these firms had grown and matured during that time. To attempt to make the sample more comprehensive, over several years, additional start-up and small businesses were added to the mailing list. There were 215 usable responses, with a response rate of 31 percent. Nonresponse bias was investigated by comparing the first 25 percent of the responses with the last 25 percent of the responses received. No significant differences were found for several demographic characteristics such as the age of the firm or the number of the employees in the firm. The findings showed that SMEs could not vary across leader characteristics such as CEO age, gender, or education, That marketing orientation levels among SMEs will not vary across leader decision-making style and that Marketing orientation levels among SMEs will not vary across the entrepreneurial experience of the leader. Marketing orientation was significantly different across the size of the organization as measured by the number of employees and interestingly, as the company size increased, the level of marketing orientation increased. Further, CEO education plays a role in the marketing orientation of SMEs since higher marketing orientation levels were associated with higher levels of CEO education, Becherer, R. et al (2003). The report also indicated that the marketing orientation of a company varies depending on the entrepreneurial experience of the leader, the results also suggest some unanticipated but interesting findings.

Prasada, P et al (2021) conducted a study on the support of market orientation and creation value to competitiveness of SMEs in Jakarta, Indonesia. The study variables in the research focused on market orientation, value creation, competitiveness, and sustainable business. Market orientation was measured through customer focus, competitor intelligence, and cross-functional cooperation (Cravens & Guilding, 2000; Harris, 2002; Kohli, 2017). Value creation was measured through consumer benefits, business domains, and business networks (Kotler & Keller, 2012; Sutthirak & Gonjanar, 2012; Tantalo & Priem, 2016). Furthermore,

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competitiveness was measured through product, price, place, and promotion (Kotler & Keller, 2012; Martín-de-Castro et al., 2006). Finally, business sustainability was measured through sales, profitability, and market share (Bocken, 2013; Ranald, 2002; Wheelen & Hunger, 2012). Data sources from SMEs were obtained in 2020, and the data were processed through a research model, namely path analysis. The Data collected for MSMEs were selected entrepreneurs, where at least they had been doing business for five years and were selected from several sub-districts and came up with 207 entrepreneurs as respondents. Hypothesis which was tested for the study where that the Market orientations had a positive correlation with competitiveness, that Creation values have a positive correlation with competitiveness, that Market orientations have a positive correlation with business sustainable, that Creation values have a positive correlation with business sustainable and that the competitiveness of SMEs has a positive correlation with business sustainable. Competitiveness is the company's discovery of a business strategy that is not easily imitated by its competitors and is able to provide business advantages through the company's performance, Prasada, P et al (2021). And if SMEs could obtain or implement a marketing strategy with a market orientation, it will be able to increase or change the competitiveness of SMEs. It seemed that the results affected the relationship between market orientation and competitiveness, Prasada, P et al (2021).

In Africa particularly Ghana according to Bamfo, A., and Kraa J, (2019) who conducted a research on Market orientation and performance of small and medium enterprises; the mediating role of innovation. The study had three hypotheses with the first one being that Innovation mediates the relationship between customer orientation and business performance in SMEs, the second one was that Innovation mediates the relationship between competitor orientation and business performance in SMEs while the last one was that Innovation mediates the relationship between inter-functional orientation and business performance in SMEs The study population consisted of SMEs owner managers in the areas of manufacturing and services with 500 SMEs sampled. Convenience and purposive sampling techniques were used in selecting respondents. The findings by Bamfo, A and Kraa J, (2019) indicated that when market orientation is applied by an SMEs in Ghana, market orientation will positively influence their level of performance in their business activities. Further, market orientation positively and significantly predicted SMEs' performance while competitor orientation had an inverse and insignificant impact on SMEs' performance in Ghana. Innovation was found to partially mediate the relationship between customer orientation and the performance of SMEs. However, innovation did not mediate the relationship between competitor orientation and performance. The concept was built around customer orientation, with market and competitor orientations as the constructs.

A Research conducted by Mutinda F, et al (2025) on Market Orientation and Growth of Small and Medium Enterprises in Machakos County, Kenya with the objectives of the Study which was to determine the influence of marketing orientation on growth of Small and Medium Manufacturing Enterprises in Machakos County, Kenya. The target population comprised of registered manufacturing small and medium-sized enterprises in 8 economic sectors, including pharmaceuticals, metal and allied, leather and textile, food and beverages, building and construction, plastic and rubber, automotive sector, and electricals and electronics. The population of the study was six hundred and forty-one (641) with sample size of three hundred and eight four (384). The findings from Mutinda F, et al (2025) indicated that market orientation affected the growth of Small and Medium Manufacturing Enterprises in Machakos County, Kenya. Thus, knowing market formation and market leads was necessary for the growth of SMEs, since these market leads could be turned into revenues and profits. Further, it was concluded that the market for SMEs, as embedded in market linkages, was critical for connections and relationships that SMEs established with various stakeholders in the market ecosystem, Mutinda F, et al (2025).

Dubihlela, J et al (2015) in the Vaal Triangle, South Africa researched on determinants of, and barriers to, market orientation and the relationship with business performance among SMEs. The study examined the relationship of the determinants and barriers to market orientation and the relationship with business performance among SMEs in a developing country. Three Hypothesis were tested for the study with the first one being that a positive relationship exists between determinants and enablers of market orientation (DMO)

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and overall market orientation (MO) of SMEs, the second one was that a negative relationship exists between barriers to market orientation (BMO) and the adoption and implementation of market orientation (MO) by SMEs, the third and last one was that a positive relationship exists between market orientation (MO) and business performance (BP) (as measured by financial performance, employee organisational commitment, repeat customers). The sample was drawn from registered SMEs from the databases of the Small Enterprise, Emfuleni Municipality in the Vaal Triangle region and the Small Business Directory while major towns represented in this demarcation included Vereeniging, Sasolburg and Vanderbijlpark with the sample size of 273 respondents. The findings from the research indicated that the SMEs in South Africa could achieve market orientation with the aid of the market orientation–business performance (MO-BP) model without much discord, as essential elements in the model were incorporated on the basis of the findings of this study. Dubihlela, J et al (2015) further indicated that SMEs could select the determinants of market orientation and overcome the barriers that discouraged market orientation. Further, the study confirmed that superior business performance was influenced by the level of market orientation of an organisation. Managers/owners of the SMEs in South Africa needed to be motivated to commit resources towards being market oriented, Dubihlela, J et al (2015).

Mwami,C and Hapompwe C, (2024) in Zambia conducted a research on examining the business growth challenges and prospects of small and Medium Enterprises (SMEs);A Case Study of Garden Township Metal Fabricators, Lusaka. They were three objectives for the study and the first one was to identify the key challenges inhibiting business growth among metal fabricators in Garden Township, secondly was to assess the level of government support provided to metal fabricators in Garden Township, and lastly to propose measures for mitigating the challenges faced by metal fabricators and fostering business growth in Garden Township. The research employed a qualitative approach, combining primary and secondary data collection while the sample consisted of 10 welders and 5 business owners in Garden Township. The Primary data was gathered through in-depth interviews with 15 participants and five focus group discussions, each comprising two business owners and three welders. While secondary data was obtained from existing literature, industry reports, and academic studies. This study was guided by four (4) fundamental theories which were relevant to the study focus which were the Porters' Five Forces Model, Resource Based View Theory (RBV), Dynamic Capabilities theory, Innovation and Entrepreneurship theory. Porter's Five Forces model is instrumental in analyzing the competitive environment of SMEs. This framework examines the bargaining power of suppliers and buyers, the threat of new entrants and substitutes, and the intensity of competitive rivalry (Indiatsy et al., 2014). By applying this model, the study assessed the market dynamics that impact SME growth in the metal fabrication industry. The Resource-Based View (RBV) theory, attributed to Jay Barney (1991), explains that firms achieve competitive advantage by leveraging their unique resources and capabilities. For SMEs, this means identifying and utilizing their internal strengths to compete effectively in the market. The RBV framework helped to analyze how Garden Compound Metal Fabricators optimizeed their resources for growth. The second theory was the Dynamic Capabilities theory, developed by Teece, Pisano, and Shuen (1997), which emphasized the firm's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. This theory is particularly relevant for SMEs in the metal fabrication industry, which must continually adapt to technological advancements and market changes to sustain growth (Teece, 2007). The third theory was the Dynamic Capabilities Theory (DCT), as developed by David Teece and colleagues, which offers a framework for understanding how organizations adapt, integrate, and reconfigure internal and external competencies to address rapidly changing environments. According to Teece, Pisano, and Shuen (1997), dynamic capabilities enable firms to achieve and sustain competitive advantage by continually aligning their resources and capabilities with the evolving market and technological conditions. This theory emphasizes the importance of strategic management processes in fostering organizational agility, innovation, and resilience. dynamic capabilities are categorized into three main types: The sensing capabilities which is the ability to identify opportunities and threats in the business environment, seizing capabilities which is the capacity to mobilize resources to capture opportunities and counteract threats. Reconfiguring capabilities such as the skill to reconfigure and transform organizational assets and structures to maintain competitiveness. The finding by Mwami,C and Hapompwe C, (2024) indicated that Government

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support for metal fabricators in Garden Township, Lusaka was lacking in strategic knowledge and planning, emphasizing the need for intervention to address financial challenges. Further Simplifying access to financial resources, providing strategic business education, and implementing targeted support programs were essential, Mwami,C and Hapompwe C, (2024). Key findings revealed that financial constraints, lack of strategic knowledge, outdated technology, unreliable infrastructure, and insufficient government support were the main barriers to growth. Therefore, Participants unanimously called for government intervention, emphasizing the need for easier access to loans, financial management training, modern equipment, and strategic planning workshops. The study highlighted that while government initiatives like the Citizen Economic Empowerment Commission (CEEC) and Constituency Development Fund (CDF) were recognized, practical barriers prevented SMEs from accessing these resources.

Mubita, E. (2019) A study to Determine the Relationship Between SMEs Growth and their Marketing Activities/Practices: A Case Study of Furniture Industry in Kabwe-Zambia.The objectives of the study were first to find out the marketing practices/activities that the SMEs were using, second to explore the relationship between SMEs growth and the use of marketing practices and lastly to analyze the impact of the marketing practices of the SMEs in the furniture industry on their business growth. The methodologies applied in this research included a combination of descriptive study (cross-sectional survey) and explanatory embedded literature search and case study. The descriptive study adopted a cross- sectional approach in which all Respondents are studied at one point in time (Churchil, 1996; Dillon et al, 1993). This is opposed to a longitudinal study where data sources are revisited. Often, the cross-sectional approach is preferred over longitudinal methods because it allows flexibility in terms of time and financial constraints, which is the case in this study. This method also allows the analysis of relationship between variables, given that the sample was the representative of the population under study. For this research, a convenience sampling method was used to select units for the survey, based on geographic proximity and ease of personal contact. The pilot survey was carried out through personal interviews with the owners/managers of some SMEs in the furniture industry. The targeted population for this research was SMEs in the furniture industry based in Kabwe town, Central province and simple random sampling was adopted to select the unit for analysis from Kabwe town. The sample was made of 30 SMEs within Kabwe that are in the furniture industry. These were chosen at random to participate in the research. Purposive sampling method was used. According to Cohen, (2000), purposive sampling enables a researcher to use cases that will best enable him/her to answer the research question(s) and meet his/her research objectives. And according to Stringer, (2007), Purposeful sampling is that which consciously selects people based on a particular set of attributes. The researcher concluded that there was a relationship between enterprise growth and marketing activities of the SMEs in the furniture industry, and that the SMEs growth or improvement was found to be there amongst the firms that had adopted marketing activities in the furniture industry, Mubita, E. (2019).

A research was done by Musona, V. (2014) on an analysis of factors constraining the growth of micro enterprises in Lusaka.The objectives where to identify the main factors that negatively affect the growth of micro enterprises in Lusaka and also to suggest solutions to these constraining factors so as to encourage growth of micro enterprises. The study was carried out in the Lusaka central business district and the main respondents were micro enterprise owners themselves with less than ten (10) employees and having been in business for no more than (5) five years. Firms having not been in existence for more than 5 years were deliberately chosen because as Nicher and Goldmark (2019) stated that Young MSEs grow substantially more rapidly on average than their older counterparts. Therefore, to get a good view of growth constraints only young firms were needed to be included in the study and the focus of the study was to identify the main internal and external factors that constrained the growth of MSME enterprises. This study included (66) sixty-six micro enterprise owners, (2) two MSME sector experts and (3) three council officials, all adding up to (71) seventy-one respondents. Variables which were used in the study where Age of entrepreneurs, Level of education, Gender and its impact on enterprise growth, Number of years in operation, Analysis of enterprise size and orientation toward growth, and Legal status of the business. Findings by Musona, V. (2014) indicated that relatively young informal micro enterprises did face several challenges in their attempts to achieve enterprise

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growth. Firstly, the primary challenges faced by these enterprises where excessive competition, lack of access to finance, vulnerability to crime, lack of market demand and high family demands. These factors posed the most significant challenge to growth among micro enterprise researched on in Lusaka. They were also other challenges faced by these enterprises such as high cost of stock, administrative corruption, constrictive import/ export regulations, uncertainty regarding business conditions and legal and regulatory constraints which was a hindrance to growth, Musona, V. (2014).

➢ *Internal and External Constraints Limiting MSME Growth Strategies*

Slávik, S (2023) in Slovak Republic conducted a study on determinants of the growth of small and medium enterprises. The research aimed to identify the internal perception of the determinants of growth and performance of small and medium-sized enterprises. The growth and performance of SMEs were expressed by actual economic results, substitute or proxy indicators measured in rating scales. while Internal determinants of performance was identified in specific companies based on personal observation of the researcher. The only condition for selecting a company for the sample was its size. The branch of business was not a requirement, although it was recorded and the selection of companies was deliberately random to avoid emphasizing or favoring any other characteristic, apart from the size of the company, which could influence its performance and growth. The research was conducted in the form of a structured interview based on a questionnaire in direct contact between the respondent and the researcher. The results of the analysis of the research sample were divided into five groups namely the one which showed that the determinants where divided by individual dependent variables, that was revenues, sales and economic results in 2021 as well as revenues, sales and economic results for the period 2016 - 2021, which served to express the growth of business performance. While the second group showed that the determinants were sorted by the magnitude of their impact on the performance indicators, the basic distinction was between positive and negative impact. The third group was to distinguish between short-term results, which recorded the impact of the determinants on performance in 2021, and long-term results, which recorded the impact of the determinants on performance growth for the period 2016 - 2021. The fourth group showed the range, or the extent of the influence of the determinants on several performance indicators. And lastly the firth group showed the sensitivity of the performance indicators in influencing determinants. The research was conducted in 146 small and medium-sized enterprises on the territory of the Slovak Republic. The findings indicated that the number of employees and their ambitions had a positive effect on the company's performance and growth, Slávik, S (2023). In particular, the number of employees and their ambitions had a positive effect on the company's performance and growth Slávik, S (2023). The number of employees is a broad and immediate factor that, unlike production capacity, did not require significant investment. However, increasing the number of employees would eventually reach a limit beyond which a suitable workforce structure was no longer readily available. Supporting these findings is Brozović et al. (2023) who also considered the lack of competent employees as the obstacle to SME growth.

Other ambition sources where questionable but likely came from other identified determinants, namely the diversity of education and employees' work experience; diversity was recognized as a source of development and prosperity. Owalla et al. (2022) recommended a comprehensive approach to understanding human capital in SMEs, which also explains the growth opportunities for SMEs. The education and experience of employees as a growth factor was also mentioned by Vaz (2021), but only because of the literature review. The determinant of the level of education of employees confirmed that education plays an important role in the development of society and business, Slávik, S (2023). Business growth is also based on the excellence of the product, which is probably related to all the positive determinants already mentioned Slávik, S (2023). It was also highlighted that the age of the company had a negative effect on its performance, which was attributed to fatigue from long-term business, the exhaustion of innovative ideas, but also the reduction of business opportunities and the activity of competitors, Slávik, S (2023). The findings also indicated that evidence of product excellence made the impact of product excellence on business performance more realistic; evidence of excellence was more real than the supposedly exceptional object of evidence. Companies in NACE M (professional, scientific, and technical activities) disrupted the usual picture of the positive impact of

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innovation on company performance or complemented it in that innovation was also risky, and its positive link to company performance was not self-evident. Explicitly formulated financial goals were associated with a negative impact on performance, which again disrupted the conventional wisdom about the impact of formalizing business activities on firm performance. The reason for this phenomenon was probably that the formalization and explicit expression of precise goals could have had conflicts with the informal internal processes of SMEs and mostly opportunistic behaviour of SMEs. The effect of firm age on performance and growth manifested as long-term firm fatigue, which weakened growth however persistent/sustained leadership ambition promoted growth and compensated for firm fatigue, Slávik, S (2023). The founder's experience from the previous business, remains the engine of SME growth , driven by the employees' diversity of education and work experience which has also been identified by Rafiki (2020) and Meressa (2020). In the short term, the key determinant of the company's performance was the number of employees while in the long term, the critical determinant of the company's performance was the ambition of the leading person, Slávik, S (2023). The main result of the research was in two groups of determinants which had positive and or negative impact and were measured under the ambition scale (strong, extensive, and long-term influence), then number of employees (strong to weak influence, extensive and short-term influence) and product excellence, diversity of educational level and work experience, educational level of employees, managerial experience of the founder (all with strong but limited long-term influence). The negative determinants were the age of the firm (small, medium, and long-term effects), evidence of product excellence (larger, medium, short-term, and long-term effects), explicit formulation of financial goals (larger, limited, and long-term effects). Equally important was the negative causes of business performance and growth, which was the effort to formalize some parameters of business activity such as explicit setting of financial goals and argumentation of product excellence. And also, what was noted was that, operating in a sophisticated industry had a negative effect on performance, and performance slightly declined with increasing age of the company, Slávik, S (2023).

Govori (2013) conducted as study on access to finance in Kosovo and highlighted that SMEs started their businesses with their internal or owners' equity. This was observed from almost all new enterprises which had difficulties in accessing external financing and was compounded by SMEs' lack of collateral as well as the unwillingness of banks to finance new established small enterprises.Lack of capital or financial resources was a major barrier for SMEs and entrepreneurs who mobilize their own capital or their own resources to establish or expand their business (Harvie, 2005). In addition, SMEs in developing countries had difficulties in accessing bank loans as a consequence of the high risk for failing loans, low profitability and lack of collateral required by banks (Harvie, 2005). For many SMEs from countries in the region, access to finance and capital appeared to be difficult. This was as a result of weak banking institutions, lack of capital market and inefficient legal framework regarding credit and collateral assessment. Financing of SMEs and access to finance played a crucial role in the growth process and development of the enterprises. (World Bank, 2011). One other factor that affected the growth and development of SMEs in Kosovo was competition. The researcher observed that many companies in the region and beyond produced products similar to those of Kosovo enterprises. The barriers resulted in weaker competition, unfair competition and adversely affected investments (World Bank 2010). Further, urveyed enterprises resulted in an unfair competition as an obstacle to the development of SMEs in Kosovo and also, the attitude of consumers towards local products was being associated with as a lack of confidence in the quality of the products resulting in a negative phenomenon through the development of these enterprises, making imported products to be much more desired which could be proven by the negative trade balance of Kosovo. According to Govori (2016), SMEs were usually not very competitive in terms of market knowledge, innovation, prudent investment, business operations and good management, which were identified as important factors in improving the quality (OSMEP, 2017).

In Cameroon,Clement, N. (2022) conducted a study on Determinants of small and medium-sized enterprise (SME) Success/failure, a study of SME in the western region of Cameroon (WRC) supported with four objectives namely Identify the influential factors or determinants to the success / failure of SMEs in the WRC, secondly to Identify the main entrepreneurial drives of SME owners and/or managers in the WRC, thirdly to Investigate whether or not there exist a statistically significant relationship between Industry choice

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and SME S / F in the WRC and lastly to Investigate the significance of the relationship between the choice of growth strategy and SME S / F in the WRC. As far as sampling is concerned, this research made use of stratified random sampling technique to map out a representative sample from all major cities, to which the questionnaire was administered on a face-to-face basis since most Cameroonian SME owners and managers were less likely to answer computer-based questionnaires (Akinboade, 2015). More to that, the face-to-face administration of the research instrument would increase the response rate. The data collected from the sample was then analyzed using the binary logistic regression technique to establish measured causality between the identified factors that is independent variable and SME S / F in the WRC as dependent variable. The binary logistic regression analysis suited this study not only because it allowed for the establishment of predictability but also because it was designed to incorporate a dependent variable that took binomial entries (Gorman & Johnson, 2013) which was the case of the study. This research also made use of the correlation analysis to evaluate and determine the significance of the association between industry choice and SME S / F. This same analytical tool was used in this study to evaluate the relationship between growth strategies and SME S / F in the Region of Cameroon. The choice of analysis here was adequate because the industry choice and growth strategies were both nominal variables and not scaled variables. Finally, descriptive statistics was used to evaluate and bring out the major entrepreneurial drives of natives of the region under study. The descriptive statistics was sufficient because the analysis involved only one variable. There were four hypothesis tested by the researcher as follows, that all identified factors including capital, record keeping, and financial control, planning, staffing, location, professional advisers, industry experience, management experience, availability of markets, corruption, public infrastructure, perceived government support, education, are determinants of SME S/F in the WRC , The main motives which lead to starting and running businesses in the WRC were the ‘fear of extreme hunger and poverty as well as the ‘lack of adequate unemployment, that there is a statistically significant association between industry choice and SME success / failure in the Western Region of Cameroon and lastly that there is a statistically significant relationship between the growth strategy and SME S / F in the WRC. The study had a sample size of 403 SMEs (owner and/or managers) and from the analyses, the results revealed the determinants of success of SMEs in this region are access to capital, industry experience, and availability of markets. The findings of the study by Clement, N. (2022) indicated that their principal entrepreneurial drives were the fear of extreme hunger and poverty and the lack of adequate employment. And further reviewed that the availability of markets was quite relevant to the success of SMEs. This implied that SMEs do better in industries with well-developed markets. Another implication from this study was that innovation might not be quite necessary for SMEs, Clement, N. (2022).

Anyanga S and Nyamita M, (2016) the study on the Major Growth Strategies Adopted by Small and Medium Enterprises in Kenya: A Case of Kisumu County. In Kenya, small businesses fail because of adopting wrong strategies that do not enhance growth, and the objective of the study was to establish growth strategies adopted by small and medium enterprises in the Jua Kali cluster at Kibuye Market in Kisumu County of Kenya. The Kisumu County Integrated Development Plan [CIDP] (2013) estimated that there were 2,438 SMEs accommodated within the Kibuye Market stretch out of which there were 900 Jua Kali artisans. compared to the Kisumu Municipal Council Report of 2008, indicating that the market had 1870 SMEs. It was evident that the market was growing in terms of operators and economic activities alike and Abayo (2014) noted that Kibuye market was one of the leading informal employers in Kisumu town owing to its strategic positioning thus attracting a bigger number of sellers and buyers. Notably however, there was no information regarding growth strategies that the existing SMEs in general and Jua Kali artisans in particular had adopted. The Kibuye Jua Kali cluster is situated in Kisumu town along Kakamega road, and it is near to the town’s busy bus station. The cluster formed over 70% of the SMEs currently registered and operating in the entire Kibuye open-air market (Onyango, Wagah, Omondi and Obera, 2014). The enterprises sold their merchandise daily although the market could peak on Sunday, running from early morning to late at night. The number of traders at the time of the study was about 7,000 but this number would double on the peak day. There were also 2,800 traders doing wholesale and about 1,000 artisans (Abayo, 2014). The market provided an outlet for raw products and manufactured goods. The Jua Kali units at the market majorly included several timber and metal artisans fabricating goods for local sale and export to other markets in the region. There were also, units

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dealing with tailoring and related works (Abayo, 2014). The study targeted a population of 900 artisans registered and active business units which were categorized as small medium enterprises at Kibuye market in Kisumu County. This population was divided into three categories as carpentry and joinery with 128 artisans, welding and metal fabrication with 430 artisans, tailoring with 253 artisans and 'Others' with 89 artisans with a sample size of 277 participants which was obtained using Yamane model. The findings by Anyanga S and Nyamita M, (2016) indicated that most of the enterprises adopted product development to a moderate extent through identification of new markets for their new existing products. The study also found that most entrepreneurs adopted product development strategy that targeted specific market segments. Further, the study found that most entrepreneurs practiced innovation largely as a way of responding environment changes such as tastes and preferences, Anyanga S and Nyamita M, (2016). The summarises of the results on growth strategies adopted by the enterprises, categorised the analysis in the six major themes of the study. The themes include market penetration strategy, product development strategy, market development strategy, innovation strategy, diversification strategy and service positioning. In general, it was concluded that the enterprises have adopted market strategy to a medium extent, with most new products targeting new market segments. The other growth strategy was the product development strategy which was analysed and it showed that SMEs had adopted product development strategy to a medium extent. And the last growth strategy was the market development strategy, which was analysed and from the study, most enterprises had adopted the growth strategies. Also, the study found that growth strategies had a relationship with marketing and aggressive promotion and that most enterprises adopted this. This agreed or conformed with Hanks et al (2004) model that organizations are born, grow and decline. Sometimes they reawaken, sometimes they disappear. Notably the study of Kiveu and Ofafa (2014) imply existence of a growing concern about persistent stagnation and decline in SME growth in Kenya. If this remains unaddressed it will have an obvious negative bearing on the country's employment creation. A survey carried out by CDF (Kisumu) found that three out of five SMEs failed within their first few months of operations and this was connected to failure of entrepreneurs to adopt growth strategies. The implication of the study to the theory was that the study affirmed the theory by showing through its findings that enterprises move through distinguishable stages of growth, and that each stage contains a relatively calm period of growth that ends with management crisis (Gupta, Guha and Krishna Swami, 2013). The study further conforms to theory that enterprises born, grow and decline.

Managers ought to know that adoption or practicing the growth strategies have the potential to grow the enterprise and even reawaken the ones that are declining. The study recommended that for SMEs to experience rapid growth, they needed to adopt strategies that focused on organizational vision and mission. Likewise, for the enterprises to grow, they should develop strategies that attract customers, such as service positioning and innovation. The owners must undergo skill upgrading courses to boost their skills in understanding their business environment.

Mmieh and Mordi (2017) carried out a study on factors influencing the growth of SMEs in Ghana,a case study using entrepreneurs (or owner/managers) of SMEs as the unit of analysis. The instruments used to collect data were in depth interviews with entrepreneurs (or owner/managers) of SMEs and with some Key Informants in Ghana who were conversant with SMEs in Ghana both academically and exposure to socio-economic life of Ghana. A total of 75 owner/managers were sampled from the three main sectors of the economy namely agriculture, manufacturing, and services. This was an extensive study that took three months involving audiotaped interview transcripts. The mode of data analysis was thematic technique. The results showed that the level of education, poor energy supply, access to external finance, competition, inflation and government policies influenced the growth of SMEs in Ghana. The researcher came up with various recommendations that could sustained energy supply, review of lending and borrowing regulations, favorable fiscal policies, measures to combat unhealthy competition, provision of adequate training centres to equip entrepreneurs, and regulation on land acquisition if growth of SMEs in Ghana was to be consistent. Reviewing the factors influencing the growth of SMEs in Ghana by Mmieh and Mordi (2017) is quite relevant and similar to the study undertaken in Kabwata Constituency.

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A case study by Keffi and Mararaba Metropolis on financing of Business Growth,. The study had two main objectives of which the first one was to examine how banks credits to SMEs affected economic growth and how interest rates charged on credits affected SMEs business expansion. The study adopted a descriptive research design as well as a t-test statistic for the purpose of testing the hypotheses. Two hypotheses were formulated according to the objectives of the study as null hypothesizes. One null hypothesis was whether banks credits to SMEs had no significant impact on economic growth and another was on whether interest rates charged on credits had no effect on SMEs business expansion in Nigeria. Results of the first objective of study revealed that banks credits to SMEs had a significant impact on the growth of the Nigerian economy. The second objective result established that there was no relationship between the interest rate charged on bank credits granted to Small and Medium Enterprises before and after the introduction of SMEs. It was discovered that due to stringent conditions that were set up by industry to access credits to SMEs, the credits granted to SMEs had little impact on their growth. This was more compounded by other factors such as lack of viable entrepreneurial skills, high lending rate and high loan requirement had been impacting negatively on the SMEs in Nigeria's economic development.

Muchoka M, (2018) conducted research in Zambia investigating the factors influencing the growth of small and medium enterprises a case study of kabwata constituency, Lusaka district. The specific objective of this study was to exploring the state of growth in SMEs in Kabwata Constituency, Lusaka, secondly to identify internal factors that affect growth in SMEs in Kabwata Constituency, Lusaka and lastly to identify the external factors that affect growth in SMEs in Kabwata Constituency, Lusaka. The study focused on three markets based in Kabwata constituency of Lusaka Province of Zambia where many residential townships of famous Chalala had mushroomed and could attract many SMEs in the area. The theory of economic participation was chosen to explain the phenomenon in this study and the total number of respondents was 70 of which 10 where Key informants while 60 were from the SMEs sectors such as simple manufacturing, general trading, welding and food business. The number was justified in qualitative research. The findings indicated that , there were internal and external factors affecting growth in small and medium enterprises financing in Lusaka while many SMEs were not registered, the number of full-time workers for the enterprise were in the range of one to ten employees and most of the SMEs were owned by individuals helped by their own families, Muchoka M, (2018). This had made it difficult for them to access certain business opportunities outside their businesses. Muchoka, M. 2018)

Tembo, F and Chisebe S, (2025) Investigating the Factors Influencing the Growth of Small and Medium Enterprises (SMEs) in Zambia: A Case of Lusaka City Market. The sampling frame comprised 1,663 Small and Medium Enterprises (SMEs) registered with the Zambia Chamber of Small and Medium Business Associations operating in Lusaka City Market.

Data was collected from 94 SME using simple random sampling owners/managers while sampling was used on 15 key informants using mixed-methods approach This study used a mixed-methods sequential explanatory design, combining quantitative surveys to identify key factors affecting SME growth with qualitative interviews to explore deeper insights. This approach was chosen to capture both measurable trends and contextual experiences, Providing a comprehensive understanding of how finance, skills, and policies influenced SMEs in Lusaka City Market. The study was underpinned by three major theoretical perspectives that provided a robust framework for analyzing the factors influencing the growth of small and medium enterprises (SMEs) which were the Resource-Based View (RBV), initially advanced by Barney (1991), that a firm's sustainable competitive advantage is derived from its ability to acquire, develop, and deploy valuable, rare, inimitable, and non-substitutable (VRIN) internal resources. In the context of SMEs, such resources included financial capital, entrepreneurial skills, technological assets, and managerial capabilities, RBV emphasizes that it is not merely the presence of these resources but the firm's ability to leverage them effectively that fosters growth. Therefore, differences in SME performance can often be traced back due to disparities in the availability and use of such internal capabilities. The second theory which was considered was Institutional Theory formulated by scholars such as Scott (1995) and North (1990), which focuses on the

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influence of formal and informal institutions; laws, regulations, norms, and cultural values—on organizational behaviour and outcomes. In the case of SMEs, institutional environments shape the ease or difficulty with which firms operate, particularly in relation to government policy, taxation, licensing, and regulatory compliance. Often characterized inefficiencies, inconsistent by bureaucratic enforcement of policies, and limited support from public institutions (ZDA, 2022). Such institutional weaknesses can stifle innovation, increase the cost of doing business, and discourage formalization. Institutional Theory suggests that when the rules of the game are clear, fair, and supportive, businesses are more likely to flourish. Conversely, an uncertain or hostile regulatory environment can undermine entrepreneurial initiative and deter investment. Thus, the theory highlights the critical role of government policy and regulation in either enabling or constraining SME growth. The last theory was the Network Theory which offers a relational perspective by emphasizing the importance of social capital, business networks, and informal relationships in supporting entrepreneurial activity (Granovetter, 1985; Burt, 2000). For SMEs, especially those in emerging markets, the social networks often serve as substitutes for formal institutions and systems, providing access to information, markets, finance, and mentorship. Lusaka City Market, where many SMEs operate informally or semi-formally, relationships with suppliers, customers, fellow entrepreneurs, and community Leaders can be vital for business survival and expansion. Network Theory posits that entrepreneurs who are embedded in strong and diverse networks are more likely to identify business opportunities, secure resources, and adapt to market changes. These networks can also facilitate knowledge sharing, build trust, and provide emotional support, all of which are providing a context-specific, theory-driven, and empirically grounded analysis aimed at informing practical interventions for sustainable SME growth. Each theory addressed a distinct dimension of SME development of internal capacities, external environments, and social relationships and together they form a comprehensive lens through which to understand the dynamics of SME growth in the Zambian context. A pragmatic philosophy guided the study, supporting the integration of quantitative and qualitative methods to effectively explore the complex variables affecting SME growth (Creswell & Creswell, 2018). The analysis revealed that access to finance is the strongest predictor of SME growth showing a significant positive effect. Entrepreneurs face challenges including high interest rates, strict collateral demands, and lengthy loan application processes that limit capital acquisition, Tembo, F and Chisebe S, (2025). Growth of SMEs in Lusaka City Market was significantly influenced by access to finance, entrepreneurial skills and education, and government policies. Access to finance emerged as the most critical factor, as many SMEs were constrained by high interest rates, stringent collateral requirements, and limited financial literacy, despite the recognized importance of capital for business expansion. The results also showed that Government policies and regulations showed a moderate but meaningful impact on SME growth. Qualitative findings revealed a more nuanced picture. Entrepreneurs described the business registration process as “lengthy and expensive,” with frequent visits to multiple offices causing delays. Some respondents expressed frustration over inconsistent policy enforcement and corruption, stating that “bribes are sometimes necessary to get licenses faster,” which undermines fair access. Others acknowledged that government training programs and grants have helped some SMEs but noted limited accessibility and cumbersome application procedures.

Mvula A and Hapompwe, C (2025) Assessing Small and Medium Enterprises’ (SMEs’) Growth Challenges and Opportunities: A Case Study of Chipata District with three objectives namely to assess the nature of the challenges and opportunities that SMEs in Chipata District are faced with, secondly to examine the factors that lead to failure of start-up SMEs within their initial five years in Chipata District and lastly to devise a framework that can be used by existing and prospective SMEs as best practices to remain sustainable and competitive in Chipata District. The researcher had used three theories for the study namely the capital structure theory looking at the impact on company’s financial sustainability. The relationship between firm’s capital structure and the firm’s profitability is very significant as the profitability of the firm can directly be affected by the capital structure decisions therefore impacting on the long-term sustainability of the firm. Velnampy and Niresh (2012) argued that profitability of the firm is dependent upon the capital structure decisions. Abor (2005) revealed that there is a significant relationship between total debts and total assets that make up the capital structure, suggesting that firms depend more on debt as a way of financing which influenced financial sustainability. The capital structure theory was adopted for this study to help analyse how

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SMEs structure their capital and how they source their capital in order to maximize returns, while ensuring that they maintain the costs of capital so that they don't supersede the benefits. The second theory was Working capital management theory which underpins the interaction between current assets and current liabilities (Sagan, 1955). It is concerned with the problem that arises in attempting to manage the current liabilities and the interrelationship that exist between them. The significant goal of working capital management is to manage a firm's current assets and current liabilities in such a way that satisfactory level of working capital is achieved and maintained (Rekha, 2014). Working capital concerns the company liquidity, efficiency and overall wealth, which includes cash, inventory, account receivable and account payable. Working capital management has been adopted for this study in order to analyse how SMEs can balance between components of working capital to ensure that they remain competitive, establish long term relationships with creditors and form a framework for analysing strategies put by SMEs to ensure solvency. The last theory for the study was the resource dependency theory (RDT) which is based upon how the external resources of organizations affect the behaviour of the organization. Small firms need critical resources such as raw material, land, or labor, or even location as defensive mechanisms at their disposal to enhance growth. Hence, Zehir et al. (2019) suggested that as the uncertainties increases, the smaller firms need to focus more on the 'relationships of dependence on power' through formal contracts, embeddedness and strategic alliances such as joint ventures or M&A instead of giving a power advantage. Salam et al. (2017) advocate that such dependence will help them leverage the firms' resource-related bargaining power, strategic partnership, or choice of exchange strategies. For SMEs to achieve growth, resources are important. These resources will come in the form of raw material, land, or labour, or even location as well as finances. The researcher adopted pragmatism as its philosophical assumption underpinning and combining elements of positivism and interpretivism to provide a balanced and comprehensive approach to understanding the challenges, opportunities, and best practices for SMEs in Chipata District. Pragmatism is a philosophy that focuses on the practical application of ideas, emphasizing solutions to real-world problems through actionable insights (Creswell, 2014). Positivism in the study is reflected in the use of structured questionnaires to collect quantifiable data from SME owners and employees. This allows for the objective measurement of common trends and challenges, such as financial constraints, lack of skilled labour, or inadequate infrastructure.Mvula A and Hapompwe, C (2025) concluded that the significant role of managerial skills, innovation, shared values, and capital availability in the success of SMEs in Chipata District further it was established that SMEs that possess diverse skills across various operational domains are better equipped to navigate challenges and leverage opportunities for growth. The sustainability of SMEs is not solely dependent on profit margins but also on public perception, employee motivation, and effective market engagement. A customer-focused approach is critical for aligning products and services with consumer needs, thereby enhancing competitiveness and longevity Mvula A and Hapompwe, C (2025).

- *Personal Critique*

The researcher discovered many strengths and limitations of the studies studied through a comprehensive literature assessment of factors influencing SME growth. One of the strengths is that many of the regional and global research evaluated were based on strong methodological designs. For example, in Indonesia, Purwati et al. (2021) used a rigorous quantitative approach with a sample size of 352 SMEs and sophisticated assessment scales for innovation capability, social capital and entrepreneurial leadership. In Sri Lanka, Heenkenda et al. (2022) also used a well-structured cross-sectional design, with a response rate of 76.8 percent, using a seven-point Likert scale to effectively measure innovation capability and sustainability. The researcher liked the mixed methods technique used by Tembo and Chisebe (2025) at Lusaka City Market in the Zambian environment, combining surveys with qualitative interviews to understand quantifiable trends and contextual experiences. This type of triangulation improves the validity of findings and provides a more complete picture of the dynamics of SME growth.

However, the researcher also observed a number of important shortcomings and gaps in the literature. One criticism is that many of the research evaluated, notably from Nigeria, Kenya and Indonesia, are overly reliant on quantitative methodologies. These studies have shown statistically significant relationships between variables such as entrepreneurial orientation and firm performance, but have not always explained the specific

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reasons or contextual factors that have contributed to the relationships. For instance, Christiana and Islam (2025) have proven that risk-taking and autonomy have had no substantial direct effect on the performance of SMEs in Nigeria, but their strictly quantitative methodology did not analyze why these aspects had not translated into growth. The researcher said that qualitative inquiries would have added considerable dimension to such conclusions.

Another identified problem was the limited sample size in some of the Zambian research. For example, Muchoka (2018) researched on SME growth in Kabwata Constituency using a sample size of 70 respondents of whom only 60 respondents were in the SME sector. The sample size was justified on the basis of qualitative research; but the researcher concerns the viability of such a tiny sample size representing the diversity of the SMEs operating in Lusaka. Daka (2017) further examined access to credit facilities with a sample of just 8 bankers and 64 responded questionnaires out of 100 questionnaires handed out which raises concern about the generalizability of the study findings and non-response bias. The researcher also observes that most of the Zambian studies have been undertaken in Lusaka and the Copperbelt leaving rural and semi-rural districts such as Mumbwa unaffected. The geographic scope of this study raises questions about the generalizability of the findings to other regions with diverse economic structures, infrastructure, and market conditions.

"A lot of studies also used self-reported perceptual measures of performance rather than objective financial data," added the researcher. Owner-managers were asked by Ndhlovu (2022) to assess profit growth, sales growth and productivity from "decreased" to "increased" on a three-point scale. This approach is prevalent in SME research due of the challenges in getting financial information . However, the researcher admits that perceptual measures are prone to bias, social desirability and faulty recollection. Moreover, the importance of moderating variables such as access to capital, owner skills and market rivalry, widely accepted as crucial to SME performance, has not been included in many of the research evaluated. For example, Chota (2020) identified a favorable association between entrepreneurial approach and business success in Lusaka but did not evaluate the function of access to credit or the levels of education of the owners in either boosting or diminishing this relationship. Finally, the researcher pointed to the scattered literature about the limitations of SME growth. While there are individual studies that have identified specific constraints such as lack of capital, poor infrastructure and regulatory issues, few have attempted to construct integrated frameworks that explain how these constraints interact with each other. Slávik (2023) provided a useful distinction between short-term and long-term determinants, with positive elements (employee ambition, product excellence) and negative factors (firm age, explicit financial goals) in the Slovak Republic. However, the researcher cautioned that this was a European study with different institutional and economic contexts and that direct application to Zambia is questionable unless it is validated there.

- *Establishment of Research Gaps*

The researcher observed that the majority of the studies on the expansion of Zambian SMEs have been conducted in urban regions such as Lusaka and the Copperbelt. Chota (2020) researched the Central Business District of Lusaka, Daka (2017) studied the SMEs that obtained loans from the headquarters of ZANACO, Muchoka (2018) studied Kabwata Constituency and Tembo and Chisebe (2025) studied the City Market. Others such as Mwami and Hapompwe (2024) in Garden Township and Ndila et al. (2025) in Kabwe District have concentrated on urban or semi-urban environments. There is a gap in the literature on the drivers of SME growth in rural and semi-rural regions like Mumbwa, which have a distinct economic structure revolving around the agricultural and mining sectors and topographical challenges arising from protected forests and Game Management Areas. This study would therefore be plugging in this gap by focusing on Mumbwa District.

The second gap found by the researcher was that no integrated research where conducted to investigate all drivers of SME growth but most research had focused on a few criteria. Chota (2020) on entrepreneurship, Malolo and Kabubi (2026) on innovation, Mubita (2019) on marketing and Muchoka (2018) on internal and external elements without any theoretical coherence. Few studies have integrated entrepreneurial attitude,

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innovation capability, market orientation and corporate plan implementation. Norsalehe and Idris (2022) developed a theory linking entrepreneurial style to SME success, however no trials were conducted in Zambia. Similarly, Van der Merwe et al. (2020) developed a framework for critical growth determinants for small firms at the base of the pyramid, although this paradigm has not been validated in the retail sector in rural Zambia. This study will fill this gap by empirically testing a comprehensive model with all four drivers.

The third is the absence of coverage of the retail industry . A lot of the research examined SMEs in manufacturing, services, construction and general trading. For example, Bamfo and Kraa (2019) investigated the manufacturing and services sector of Ghana, Mutinda et al., (2025) investigated Kenyan manufacturing companies, and Eguji (2024) investigated Nigerian SMEs without sectoral differences. However, in Zambia, Mwami and Hapompwe (2024) studied metal fabricators, Mubita (2019) studied furniture and Ndhlovu (2022) studied retail and wholesale trade in Chongwe but not retail alone. The retail industry moves quickly and is driven by consumers, with high competition and minimal obstacles to entry. These characteristics may cause retail SMEs to grow differently from manufacturing or services. The researcher found a study deficit in rural Zambian retail SMEs. The fourth gap is that the researcher could not identify any major research on moderating variables such as capital access, owner skills and market rivalry. Several studies have shown these traits to be significant, but few have studied them as moderators of the relationship between key factors and SME growth. In Ethiopia, Kassa and Kegne (2025) explored the effects of government support and financing on innovativeness, but not the moderating effects. Access to finance was the largest predictor of SME growth in Lusaka City Market (Tembo and Chisebe, 2025). The study did not examine the moderating role of financing in entrepreneurial orientation and growth. This study specifically included moderating variables and empirically tested their effects using the conceptual framework of Van der Merwe et al. (2020). The fifth gap is the methodological shortcomings of previous research. The researcher stated that some Zambian studies had a tiny sample size that may be unrepresentative of the target population. Mwami & Hapompwe (2024) had 15 respondents (10 welders and 5 company owners). Daka (2017) had 8 bankers with a 64% response rate from 100 questions. The researcher argues that it is difficult to generalize qualitative study findings to the SME community. Many research used convenience or deliberate sampling which may lead to bias in selection. To improve the generalizability, a bigger sample of 100 SMEs and 10 government officials will be recruited using suitable sampling methods.

Finally, the researcher identified a chronological gap in earlier studies. The majority of studies on Zambian SMEs are cross-sectional in nature and collect data at a single point in time. This makes it difficult to comprehend how the causes of SME growth could alter as firms mature and external conditions change. This survey will be cross-sectional, in terms of time and resource restrictions, but will cover 2010–2025 so respondents can remark on growth trends and problems. That’s more than most studies will cover. The researcher did not find any previous study that examined the perception of the determinants of MSME growth in the retail sector of Mumbwa District, Zambia using an integrated framework of entrepreneurial orientation, innovation capabilities, market orientation and business strategy execution, with finance, owner skills and market competition as moderators. This is an important and serious question that Policymakers, SME owners and future researchers would find the empirical data from an under-researched regional environment useful. Filling these gaps will contribute to the current understanding of SME development in Zambia and other developing countries facing comparable challenges.

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CHAPTER THREE
METHODOLOGY

A. Overview

The chapter describes the methodological approach that underpinned the study of the factors of SME growth in the retail sector of Mumbwa District, Zambia. Methodology is the systematic theoretical analysis of the methods utilized in a field of study. It is the backbone of any meaningful research endeavor. This chapter presents the research strategy selected, target population, sampling design and determination of an adequate sample size. It also includes the data collection methods, the analysis techniques, the triangulation strategies, the restrictions faced and the ethical issues taken into account during the study process. The methodological choices outlined in this chapter were carefully selected to guarantee that findings are able to meet the four research objectives on entrepreneurial orientation, innovation capabilities, market orientation and constraints of SME growth methods.

➢ *Research Design*

Researchers employ study designs as a plan for systematically gathering, counting, and analyzing data (Creswell & Creswell, 2018). The study used mixed methods research design which is the combination of quantitative and qualitative approaches in one study. Mixed methods research is very beneficial when a thorough comprehension of the topic requires quantitative (statistical patterns) and qualitative (contextual, specific information) techniques (Creswell & Poth, 2025).

The use of a mixed-methods methodology in this work was guided by three reasons. The research answered questions like how can you assess the impact of an entrepreneurial approach and the limitations of modern growth methods. Small and medium enterprises (SMEs) in retail in Mumbwa are operating in a complex and inaccurate local environment. Finally, the conclusions are more believable and valid when numerous sources of data are used (triangulation). This is a research layout that follows the realistic research strategy outlined in Chapter One, which aims to identify practical solutions to real-world problems rather than sticking rigidly to one scientific paradigm.

➢ *Target Population*

Target population is the total group of entities, people, or objects that possess similar observable characteristics to whom a researcher intends to generalize the findings of the study (Asiamah, Mensah & Oteng-Abayie, 2017). Asiamah et al. (2017) stress the need of identifying the target group to establish the external validity of the research because this delineates the extent to which the findings may be generalized.

The targeted population for this study was divided into three major categories. The survey was conducted among all registered Micro, Small and Medium Enterprises (MSMEs) in the retail sector in Mumbwa District, that is those registered with the Patents and Companies Registration Agency (PACRA) and the Mumbwa Business Association. Secondly, the population was constituted of executives and officials of the Mumbwa Business Association endowed with institutional knowledge of local company operations. Third, it featured extension workers and policy implementers from the Ministry of Small and Medium Enterprise Development in Mumbwa District. According to the Mumbwa District Business Registry (2024) and Mumbwa Town Council situational analysis (2024), there are about 210 registered retail Micro, small and medium-sized enterprises (MSMEs) in the central business district and surrounding commercial areas.

➢ *Sampling Design*

The study adopted probability and non-probability sampling techniques based on the category of respondents, as suggested by Creswell and Poth (2025) for mixed-method research with many stakeholder groups. The retail MSMEs were selected based on stratified random sampling. The retail sector in Mumbwa was first classified into some business kinds such as food stores, apparel retailers, hardware shops and general

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dealers. A random sample was drawn from each strata in proportion to its size in the total population of 210 companies. This segmentation insured that the final sample was appropriately representative of the diversity of the retail sector.

Purposive sampling was employed in selecting crucial informants such as government officials and executives from business associations. Purposive sampling is a deliberate selection of persons based on special expertise, skill or position with respect to the phenomena under study (Etikan, Musa & Alkassim, 2016). Purposive sampling is particularly appropriate when the researcher wishes to interact with educated professionals, who can provide detailed and precise information that is unlikely to be obtained from a random sample of the general population (Etikan et al., 2016).

➢ *Sampling Size Determination*

Sample size determination is the process of determining the number of respondents required for a study such that the result is statistically reliable and representative of the population the result will be generalized (Bartlett, 2001). Bartlett (2001) laid the groundwork for quantitative research with formulas; however, more recent scholars have acknowledged that in mixed-methods research, justification of sample size should include both statistical power and the principle of data saturation for qualitative parts (Creswell & Poth, 2025).

In the quantitative phase of the study, 100 retail MSMEs were selected from the entire population of 210 registered enterprises. The sample size was estimated by utilizing Yamane's (1967) simplified formula for sample size calculation, which is widely acknowledged in the field of business and social science research. The minimal sample size was about 95 responders, using the formula:

$$n=N/〖1+N(e)〗^2 \quad n$$

$$n=210/〖1+210(0.075)〗^2 =96.27$$

$$=210/2.18125=96.27\approx100$$

In the qualitative section, 10 key informants were recruited on a purposive sampling basis. The group consisted of six ministry officials from the Department of Micro, Small and Medium Enterprise Development and four executive members of the Mumbwa Business Association. As Braun and Clarke (2021) state, qualitative studies do not need to have enormous sample sizes, they need to be large enough to reach thematic saturation (the state in which no new themes or insights are being generated from the data). The researcher selected 10 important informants to complement the survey data from 100 MSME owners and managers, providing adequate institutional and policy views.

➢ *Data Collection Method*

Data collection techniques are the techniques and tools that researchers use to acquire primary data from participants (Creswell & Creswell, 2018). A mixed method approach was used in which a structured questionnaire was provided to the MSME owners/managers and a semi-structured interview guide for the key informants. The reason was that the research objectives required measurable evaluation of the relationships of variables in addition to complete qualitative investigation of the contextual elements that impact the development of SMEs in Mumbwa District (Creswell & Poth, 2025). Prior to full administration, the two instruments were pre-tested with a small sample of 10 MSME owners in a neighbouring district to check for any phrasing concerns, assess comprehensibility and ensure that the questions were culturally and contextually appropriate for Zambian retail.

Respondents were asked a series of structured questions, either by themselves or led by a researcher, depending on literacy and desire. The questionnaire was issued to MSME owners who can read and write in

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English and was collected after two to three days. The researcher read out each question in case the participants needed help or cannot read and recorded the participant's response in the questionnaire form. Taherdoost (2017) recommends this technique for research with varied groups and educational backgrounds to improve response rates and inclusion. The questionnaire was meant to take 20-30 minutes to complete and was administered over a four week period to cover all the 100 MSMEs in the Mumbwa Central Business District.

Semi structured interviews were conducted with ministry officials and business association leaders at their workplaces or at a mutually agreed venue, to ensure secrecy and little disturbance. Interviews were scheduled in advance, took 45 to 60 minutes, and were audio recorded with signed consent (Braun & Clarke, 2021). The researcher also took notes by hand in each interview, to preserve non-verbal clues and contextual observations not captured by audio recording. Interviews were conducted until no new information emerged and thematic saturation was reached (Creswell & Poth, 2025). All interviews were recorded and transcribed verbatim within 48 hours, allowing for accuracy and timely identification of themes..

➢ *Data Analysis*

Data analysis is the tools and procedures used to organize, transform and evaluate raw data to obtain relevant information to answer the study questions (Creswell & Creswell, 2018). As a mixed-methods design, the study used both the quantitative and the qualitative analytical methodologies.

Quantitative Data Analysis: Data acquired from the structured questionnaires were entered into the Statistical Package for the Social Sciences (SPSS) version 26.0. The analysis was carried out in three steps. Descriptive statistics such as frequencies, percentages, means and standard deviations were calculated to describe the demographic features of the respondents and variation of replies on the Likert-scale items. Second, the relationships between independent variables (entrepreneurial orientation, innovation capabilities, market orientation) and the dependent variable (MSME growth measured by sales volume, profit margins, and employment size) were tested using inferential statistical techniques such as Pearson correlation and multiple regression analysis. Third, moderating impacts of access to finance, owner skills and market rivalry were investigated using the moderation analysis in the regression framework.

Qualitative Data Analysis Data from interviews were analyzed using reflexive thematic analysis as suggested by Braun and Clarke (2021). This process involved six phases: (1) becoming familiar with the data by reading interview transcripts several times; (2) generating initial codes by identifying important sections of text; (3) searching for themes by gathering related codes; (4) reviewing themes to ensure they are an accurate reflection of the data; (5) defining and naming themes with precise descriptions; (6) producing the final analysis by integrating thematic findings with direct quotations from participants. It was chosen because it enables one to identify the predicted trends and surprising findings, and is particularly appropriate for exploratory research of MSME growth in under-researched environments like Mumbwa District.

➢ *Triangulation*

Triangulation is the use of more than one method, data source, investigator, or theoretical perspective to understand a phenomenon and strengthen study results (Flick, 2018; Creswell & Poth, 2025). Flick (2018) distinguishes between "triangulation 1.0" that relied on convergence to validate results, and "triangulation 2.0" that captures diverse facets of complex social phenomena to broaden, deepen and enrich understanding.

This study applied methodological triangulation by using questionnaire and interview data. The quantitative survey revealed the generalizable patterns in several elements and their statistical relationships with MSME growth. The qualitative interviews, however, provided significant contextual insights into why some elements were more influential and how the MSME owners and policy implementers interpreted these drivers in their daily operations. The researcher synthesized the two sources of data at the level of interpretation, triangulating the quantitative and qualitative themes for convergence, divergence, and complementarity. Quantitative studies demonstrated a limited relationship between inventive capacity and

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growth, whereas qualitative interviews highlighted infrastructural and resource limitations. This triangulation strategy ensured that the outcomes of this study were not dependent on a single data source or analytical method, therefore enhancing its credibility.

➢ *Limitations of the Study*

This work is not without limits and transparent reporting of such restraints is required for proper interpretation (Price & Murnan, 2021). The geographical scope was confined to the Mumbwa Central Business District to guarantee accessibility and manageability for the researcher and as such the findings may not fully represent the position of retail MSMEs in more remote or rural portions of the district. However, the researcher made sure that firms from different places are present in the accessible zone and noted this limitation in the analysis. Second, the study relied on self-reported data from MSME owners and managers regarding their business success, growth measures, and operational issues, which are subject to social desirability bias and recall bias. To overcome this, the questionnaire was prepared using neutral language and necessary information was included. Respondents were promised of confidentiality and anonymity. Third, this study was cross-sectional, data were collected at a single moment in time which is suitable for finding connections between variables but cannot demonstrate causality or follow the change of determinants of MSME growth over time. However, the study was retroactive, covering a period from 2010 to 2025, allowing respondents to comment on growth trends and problems across a 15-year period. Fourth, although Yamane's formula suggests that the sample size of 100 MSMEs is statistically adequate for the target population, it is small compared to other MSME studies in urban centres such as Lusaka or the Copperbelt, which limits statistical power to detect small effect sizes and generalisability to larger populations in different geographic contexts. But the fundamental aim of the work was not to establish a universally generalist.

➢ *Ethical Considerations*

The steps of this study were conducted ethically to preserve the rights, dignity, and welfare of the human participants (Creswell & Creswell, 2018). Before collecting data, the researcher secured ethical clearance from the Information and Communication University Research Ethics Committee. Also, the researcher obtained a formal introductory letter from the university and presented it to the Mumbwa District Administration and the Ministry of Micro, Small and Medium Enterprise Development to seek institutional permission to carry out the study. All participants gave written informed consent. Each MSME owner and key informant was given a participant information sheet outlining the study purpose, the nature of their involvement, the voluntary nature of participation and their right to withdraw at any time without penalty, and written informed consent was obtained prior to any data collection (Creswell & Poth, 2025). Participants were guaranteed strict confidentiality and anonymity, such that no identifying information (e.g. names, specific business locations or exact positions) would be reported in the dissemination of findings. Generic descriptors were used for key informants (e.g. Senior Ministry Official, Business Association Executive) to protect identities and all data, including completed questionnaires and interview recordings, are stored securely on a password-protected computer, accessible only to the researcher and the academic supervisor. The participants were clearly informed that their participation was voluntary and that they could withdraw from the study at any time without providing a reason and without any negative consequences for themselves or their businesses. For the interview participants, this right was reiterated at the beginning of each session. Finally, the researcher took all reasonable measures to avoid harm by carefully wording questions to prevent distress or discomfort, avoiding invasive procedures or manipulations, and offering to pause or terminate any session where a participant appeared uncomfortable, so that no physical, psychological, social, or economic harm came to any participant as a result of involvement in this study (Creswell & Creswell, 2018).

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CHAPTER FOUR
PRESENTATION OF RESEARCH FINDINGS AND DISCUSSION OF RESULTS

A. Overview

This chapter presents the results of the study on the perception of the determinants of MSME growth in the retail sector of Mumbwa District, Zambia. The presentation is organized according to the four specific objectives of the study: (1) to assess the effect of entrepreneurial orientation on the growth of MSMEs; (2) to examine the effects of innovation capabilities on MSME business growth; (3) to analyse the effect of market orientation on MSME business growth; and (4) to ascertain the limitations of MSME business growth strategies. The chapter begins with the presentation of the background characteristics of the respondents, followed by the presentation of results organized by thematic areas derived from each objective. The chapter concludes with a comprehensive discussion of the research findings, integrating both quantitative and qualitative data, and linking the results to the theoretical framework and existing literature reviewed in Chapter Two.

➢ *Presentation of Results on Background Characteristics of the Respondents*

This section presents the demographic and business-related characteristics of the 100 MSME owners/managers who participated in the quantitative survey, as well as the profiles of the 10 key informants who took part in the qualitative interviews.

- *Response Rate*

A total of 100 structured questionnaires were administered to retail MSME owners/managers in Mumbwa District. All 100 questionnaires were fully completed and returned, representing a 100% response rate. This high response rate was achieved through the researcher's strategy of personally administering the questionnaires and providing assistance to respondents who required help with literacy or comprehension, as recommended by Taherdoost (2017).

Table 1 Response Rate

Category	Number Administered	Number Returned	Response Rate (%)
SME Owners/Managers	100	100	100%
Key Informants	10	10	100%

Primary Data Source: 2026

- *Demographic Characteristics of MSME Owners/Managers*

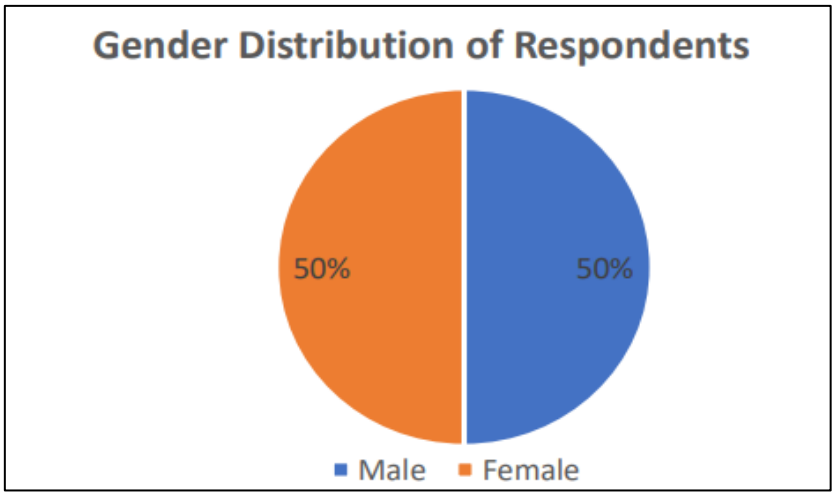


Fig 1 Gender Distribution of Respondents
Primary Data Source: 2026

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As illustrated in Figure 1, the gender distribution of MSME owners/managers in the retail sector of Mumbwa District was evenly split, with 50% male and 50% female respondents. The findings represents a significant shift from previous studies in Zambia that reported male dominance in SME ownership. A research by Zambezi and Bomani (2025) and Malolo and Kabubi (2026) reported that MSME ownership in Zambia was predominantly male-dominated. The equal gender representation in this study suggests that women are increasingly participating in retail business activities in semi-rural areas, possibly due to targeted government programs and the growing recognition of women's economic empowerment.

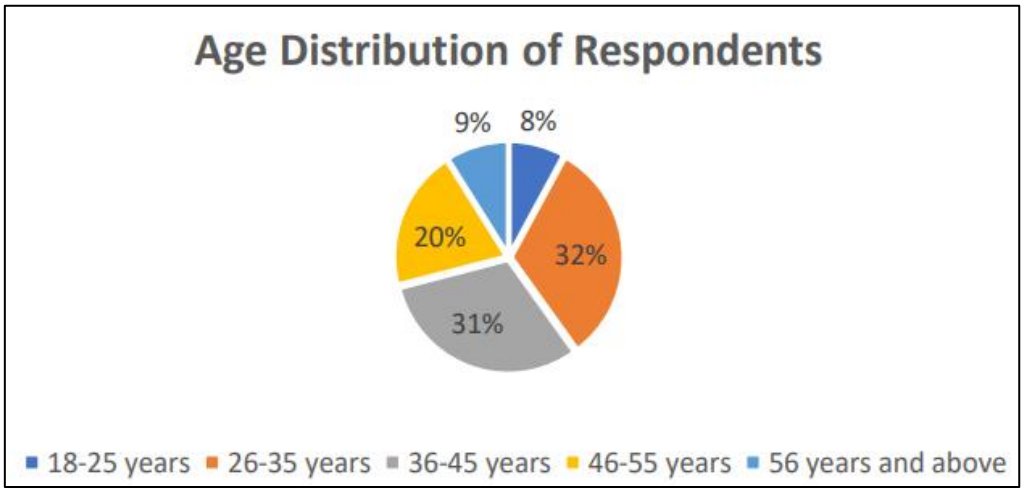


Fig 2 Age Distribution of Respondents
Primary Data Source: 2026

Figure 2 shows the age distribution of the respondents and the largest age group was 26-35 years, comprising 32% of the respondents, followed closely by the 36-45 years age group at 31%. From the results , the 46-55 years age group accounted for 20%, while the 18-25 years and 56 years and above age groups constituted 8% and 9% respectively. According to the findings, this indicates that MSME ownership in Mumbwa's retail sector is predominantly held by individuals in their prime working years (26-45 years), which is consistent with the findings of Ndhlovu (2022) who reported that SME owners in Chongwe District were primarily in the 26-45 age range.This age distribution suggests that younger entrepreneurs are actively engaged in retail business activities, while older entrepreneurs continue to participate in the sector.

Table 2 Educational Level of Respondents

Education Level	Frequency	Percentage (%)
No formal education	0	0%
Primary school	1	1%
Junior secondary (Grade 9)	17	17%
Senior secondary (Grade 12)	45	45%
Certificate or Diploma	20	20%
Bachelor's degree	12	12%
Postgraduate degree	5	5%
Total	100	100%

Primary Data Source: 2026

Table 2 presents the educational attainment of MSME owners/managers. The majority of respondents had secondary education, with 45% having completed Grade 12 and 17% having completed Grade 9. Then those with a certificate or diploma accounted for 20%, while those with a bachelor's degree represented 12% and postgraduate degree holders represented 5% of the sample. The results shows that only 1% of respondents had only primary education, and no respondents had no formal education. Further from the results this

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relatively higher level of formal education among MSME owners in Mumbwa compared to previous studies is encouraging. These findings confirms the research findings from Muchoka (2018) and Musona (2014) reported that many SME owners in Zambia had limited formal education, which constrained business management capabilities. The improved educational profile in this study suggests that more educated individuals are entering the retail MSME sector, which could positively impact business management and growth potential.

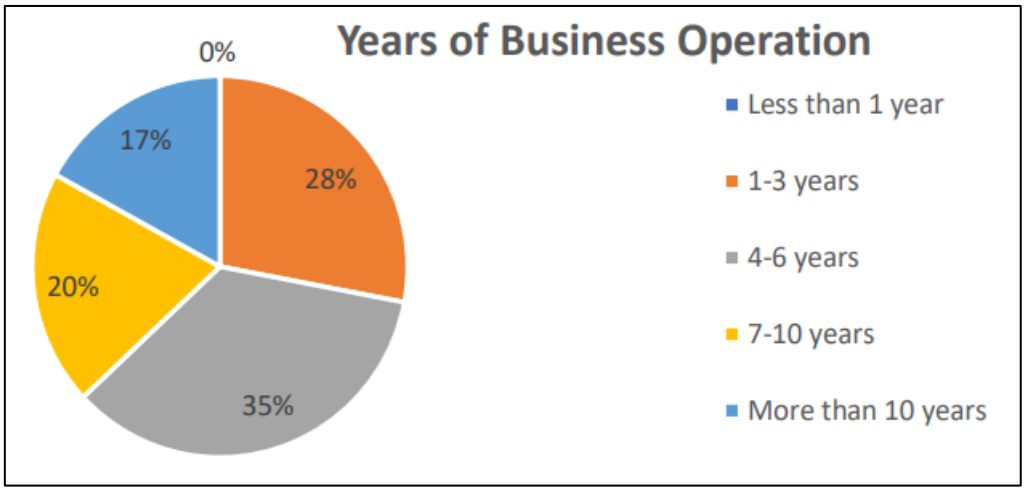


Fig 3 Years of Business Operation
Primary Data Source: 2026

Figure 3 illustrates the operational experience of the retail MSMEs and the majority of businesses had been operating for 4-6 years (35%) , followed by those operating for 1-3 years (28%). Businesses with 7-10 years of operation accounted for 20%, while those operating for more than 10 years represented 17%. The findings shows that no businesses had been operating for less than 1 year. And this distribution suggests that there is a reasonable mix of established and relatively new businesses in Mumbwa's retail sector, with a significant proportion having survived beyond the critical first three years of operation, which is often the period when many SMEs fail.

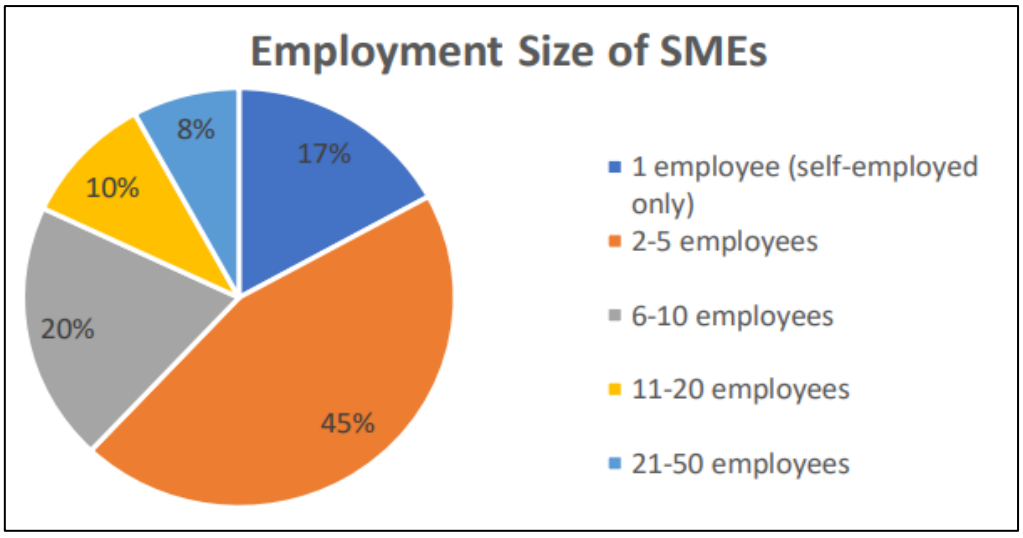


Fig 4 Employment Size of MSMEs
Primary Data Source: 2026

Figure 4 shows the employment size of the retail MSMEs. The findings shows that the majority of businesses employed 2-5 employees (45%) , followed by those with 1 employee (self-employed only) at 17%.

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Accordingly, businesses with 6-10 employees accounted for 20%, while those with 11-20 employees and 21-50 employees represented only 10% and 8% respectively. The results indicates that MSMEs in Mumbwa are predominantly micro-enterprises and small businesses with limited workforce capacity. The finding is in consistent with the Zambia Development Agency (2022) report, which noted that the majority of MSMEs in Zambia operate with fewer than five employees, particularly in rural and semi-rural areas.

- *Business Characteristics of MSMEs*

Table 3 Type of Retail Business

Business Type	Frequency	Percentage (%)
Grocery store/Tuck shop	32	32%
General dealer	24	24%
Clothing and footwear	16	16%
Hardware and building materials	12	12%
Mobile money/airtime vendor	10	10%
Other	6	6%
Total	100	100%

Primary Data Source: 2026

Table 3 presents the types of retail businesses represented in the study. According to the findings, grocery stores and tuck shops were the most common, accounting for 32% of the sample, followed by general dealers at 24%. The clothing and footwear businesses represented 16%, while hardware and building materials shops accounted for 12%. Further, mobile money and airtime vendors constituted 10%, and other businesses (including pharmacies, cosmetics, and electronics) made up the remaining 6%. The distribution reflects the typical retail landscape in semi-rural Zambian districts, where basic consumer goods and services dominate the market, consistent with the findings of Tembo and Chisebe (2025) in Lusaka City Market.

Table 4 Business Ownership Structure

Ownership Type	Frequency	Percentage (%)
Sole proprietorship	67	67%
Partnership	15	15%
Limited liability company	8	8%
Cooperative	5	5%
Not registered	5	5%
Total	100	100%

Primary Data Source: 2026

Table 4 shows the ownership structure of the retail MSMEs and the majority of businesses were sole proprietorship (67%) , followed by partnerships (15%) . The limited liability companies accounted for 8%, while cooperatives and unregistered businesses each represented 5%. The predominance of sole proprietorship is typical of MSME sectors in developing countries and is consistent with findings from Muchoka (2018) and Nuwagaba (2015), who reported that most MSMEs in Zambia operate as sole proprietorship due to the simplicity of establishment and lower regulatory requirements. The relatively low registration rate (5% not registered) suggests that most businesses in Mumbwa recognize the importance of formal registration.

- *Key Informant Profiles*

Table 5 Profile of Key Informants

Code	Position/Organization	Experience (Years)	Gender
KI-01	Senior Ministry Official, MoMSMED	12	Male
KI-02	Extension Officer, MoMSMED	8	Female

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KI-03	Policy Analyst, MoMSMED	10	Male
KI-04	District Officer, MoMSMED	6	Female
KI-05	SME Development Officer, MoMSMED	9	Male
KI-06	Program Officer, MoMSMED	7	Female
KI-07	Chairperson, Mumbwa Business Association	15	Male
KI-08	Vice Chairperson, Mumbwa Business Association	11	Female
KI-09	Secretary, Mumbwa Business Association	8	Male
KI-10	Treasurer, Mumbwa Business Association	13	Male

Primary Data Source: 2026

According to the findings, as shown in Table 5, the 10 key informants comprised six officials from the Ministry of Micro, Small and Medium Enterprise Development (MoMSMED) and four executive members of the Mumbwa Business Association. And their experience ranged from 6 to 15 years, providing rich institutional knowledge and policy perspectives on MSME growth in the district. The inclusion of both government officials and business association leaders ensured a comprehensive understanding of the policy and practical dimensions of MSME development in Mumbwa, as recommended by Etikan et al. (2016) for purposive sampling in qualitative research.

➢ *Presentation of Results Based on a Thematic Area Developed from Research Objective One:*

To Assess the Effect of Entrepreneurial Orientation on the Growth of MSMEs This section presents the results related to entrepreneurial orientation (EO) and its effect on MSME growth in the retail sector of Mumbwa District. The presentation is organized into two parts: quantitative findings derived from the structured questionnaire and qualitative findings from the semi-structured interviews with key informants.

- *Quantitative Findings on Entrepreneurial Orientation*

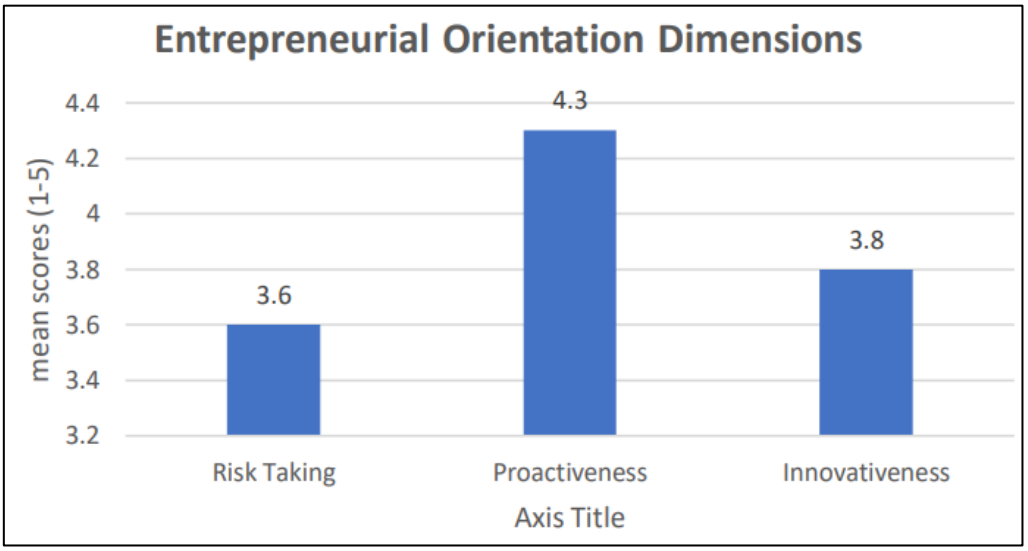


Fig 5 Entrepreneurial Orientation Dimensions - Overall Scores

Primary Data Source: 2026

Figure 5 presents the overall mean scores for the three dimensions of entrepreneurial orientation: risk taking, pro-activeness, and innovativeness. The scores were calculated on a 5-point Likert scale, where 1 = Strongly Disagree and 5 = Strongly Agree and from the findings, pro-activeness had the highest mean score at 4.3, followed by innovativeness at 3.8, and risk taking at 3.6. The scores indicate a moderate to high level of entrepreneurial orientation among retail MSMEs in Mumbwa District. The particularly high score for pro-activeness suggests that MSME owners in Mumbwa are actively monitoring market trends and anticipating

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changes in customer needs. The findings is in consistent with the findings of Chota (2020) in Lusaka, who found that entrepreneurial orientation variables had a positive and significant effect on business performance of MSMEs.

Table 6 Entrepreneurial Orientation - Risk Taking Dimension

Statement	Mean	Std Dev
Willing to invest resources in projects with uncertain outcomes	3.15	1.2
Have introduced new products/services without complete certainty of success	3.3	1.18
Believe bold business actions are necessary for growth	3.61	1.15

Primary Data Source: 2026

Table 6 presents the responses to the risk-taking dimension of entrepreneurial orientation. According to the findings, the statement "Believe bold business actions are necessary for growth" received the highest agreement (60% combined SA and A), with a mean score of 3.61 however, only 40% of respondents agreed that they are willing to invest significant resources in uncertain projects (mean=3.15), and 46% agreed that they have introduced new products without complete certainty of success (mean=3.30). These findings suggest that while SME owners in Mumbwa recognize the importance of bold actions for growth, they are relatively cautious in committing resources to uncertain ventures. The identified cautious approach may be attributed to limited financial resources and the high-risk environment in semi-rural areas, as noted by Hussein et al. (2025) in Somalia, who found that SMEs in resource-constrained environments often exhibit risk aversion.

Table 7 Entrepreneurial Orientation - Proactiveness Dimension

Statement	Mean	Std Dev
Monitor market trends to identify future opportunities before competitors	3.82	1.1
Anticipate changes in customer needs and respond ahead of time	3.89	1.08
Encourage employees to come up with creative ideas	4.02	1

Primary Data Source: 2026

Table 7 shows the responses to the proactiveness dimension. The majority of respondents demonstrated proactive behaviors, with 68% agreeing that they monitor market trends to identify future opportunities (mean=3.82), and 70% agreeing that they anticipate changes in customer needs (mean=3.89). Further,and even more significantly, 75% agreed that they encourage employees to come up with creative ideas (mean=4.02). The findings of these high scores indicate strong proactive behaviors among MSME owners in Mumbwa. The finding is consistent with Kamendi (2016) in Kenya, who found that proactiveness influenced MSME growth to a large extent. The findings, the high score for encouraging employee creativity suggests that MSME owners value input from their employees, which is a positive indicator of participative management.

Table 8 Entrepreneurial Orientation - Innovativeness Dimension

Statement	Mean	Std Dev
Regularly introduce new or improved products/services	3.4	1.2
Invest in new methods of operating that improve efficiency	3.64	1.15

Primary Data Source: 2026

Table 8 presents the innovativeness dimension responses and showing that 50% agreed that they regularly introduce new or improved products and services (mean=3.40), while 58% agreed that they invest in new methods of operating that improve efficiency (mean=3.64). These moderate scores suggest a reasonable level of innovativeness among retail MSMEs in Mumbwa, though the focus appears to be more on incremental improvements and efficiency gains rather than radical innovation. These findings are in consistent with the findings of Christiana and Islam (2025) in Nigeria, who found that innovativeness has a significant positive effect on SME performance, but that innovation in MSMEs is often incremental.

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➢ *Presentation of Results Based on a Thematic Area Developed from Objective Two:*

To Examine the Effects of Innovation Capabilities on MSME Business Growth This section presents the results on innovation capabilities and their effects on MSME business growth in the retail sector of Mumbwa District. The presentation includes both quantitative and qualitative data.

- *Quantitative Findings on Innovation Capabilities*

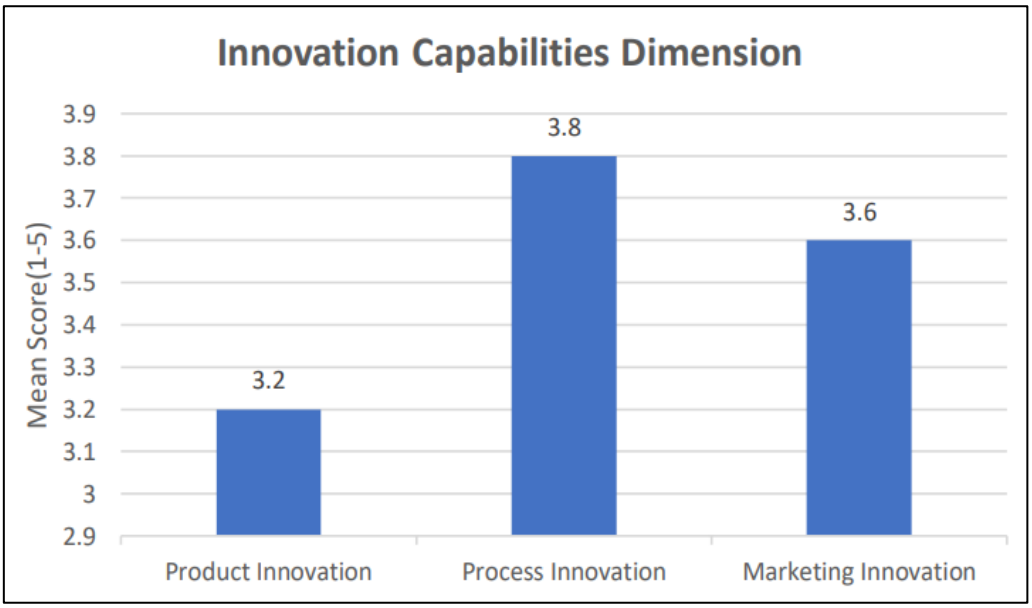


Fig 6 Innovation Capabilities - Overall Scores
Primary Data Source: 2026

Figure 6 displays the overall mean scores for the three dimensions of innovation capabilities: product innovation, process innovation, and marketing innovation. And the findings indicates that process innovation had the highest mean score at 3.8, followed by marketing innovation at 3.6, and product innovation at 3.2. These scores indicate moderate levels of innovation capabilities among MSMEs in Mumbwa while the relatively higher score for process innovation suggests that MSME owners are more focused on improving their operational processes and adopting new technologies rather than developing entirely new products. The finding is consistent with Rexhepi (2014) and Issau et al. (2020), who found that SMEs primarily focus on product improvement and process innovation rather than introducing entirely new offerings.

Table 9 Innovation Capabilities - Product Innovation

Statement	Mean	Std Dev
Introduced new products in the past two years	2.89	1.2
Made significant improvements to quality of existing products	3.55	1.15

Primary Data Source: 2026

Table 9 shows the responses for product innovation. The findings indicates that only 32% of respondents agreed that they had introduced new products in the past two years (mean=2.89), while 55% agreed that they had made significant improvements to their existing products (mean=3.55). The results suggests that retail MSMEs in Mumbwa tend to focus on improving existing product quality and features rather than introducing entirely new product lines. These findings are in consistent with Rexhepi (2014) and Issau et al. (2020), who found that MSMEs primarily focus on product improvement rather than introducing entirely new offerings. While the low score for introducing new products may be attributed to the high cost and risk associated with developing new products, particularly in resource-constrained environments.

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Table 10 Innovation Capabilities - Process Innovation

Statement	Mean	Std Dev
Adopted new or improved methods of serving customers	3.75	1.12
Use technology (mobile money, digital records, social media) to improve operations	3.94	1.08

Primary Data Source: 2026

Table 10 presents the process innovation dimension. The results indicates that a significant majority of respondents had adopted new methods of serving customers, with 65% agreeing (mean=3.75). Further, even more notably, 70% agreed that they use technology such as mobile money, digital records, or social media to improve operations (mean=3.94). The observed high adoption of mobile money and digital technologies is particularly significant for a semi-rural area, reflecting the rapid diffusion of digital financial services in Zambia, as noted by Nalumino (2023). This finding aligns with the work of Heenkenda et al. (2022) in Sri Lanka, who found that innovation capability had a direct beneficial influence on MSME sustainability.

Table 11 Innovation Capabilities - Marketing Innovation

Statement	Mean	Std Dev
Use new advertising or promotional methods to attract customers	3.6	1.18
Changed way you price or package products to better meet customer needs	3.58	1.15

Primary Data Source: 2026

Table 11 shows the marketing innovation dimension. The results indicates that 58% of respondents agreed that they use new advertising or promotional methods to attract customers (mean=3.60), and 57% agreed that they have changed the way they price or package products to better meet customer needs (mean=3.58). The moderate levels of marketing innovation suggest that while MSME owners recognize the importance of marketing adaptation, they may lack the resources or knowledge to implement more sophisticated marketing strategies. And these findings is consistent with Mubita (2019) who found that SMEs in Kabwe, Zambia, that adopted marketing activities showed improved business growth.

➢ *Presentation of Results Based on a Thematic Area Developed from Objective Three:*

To Analyse the Effect of Market Orientation on MSME Business Growth This section presents the results on market orientation and its effect on MSME business growth in the retail sector of Mumbwa District.

- *Quantitative Findings on Market Orientation*

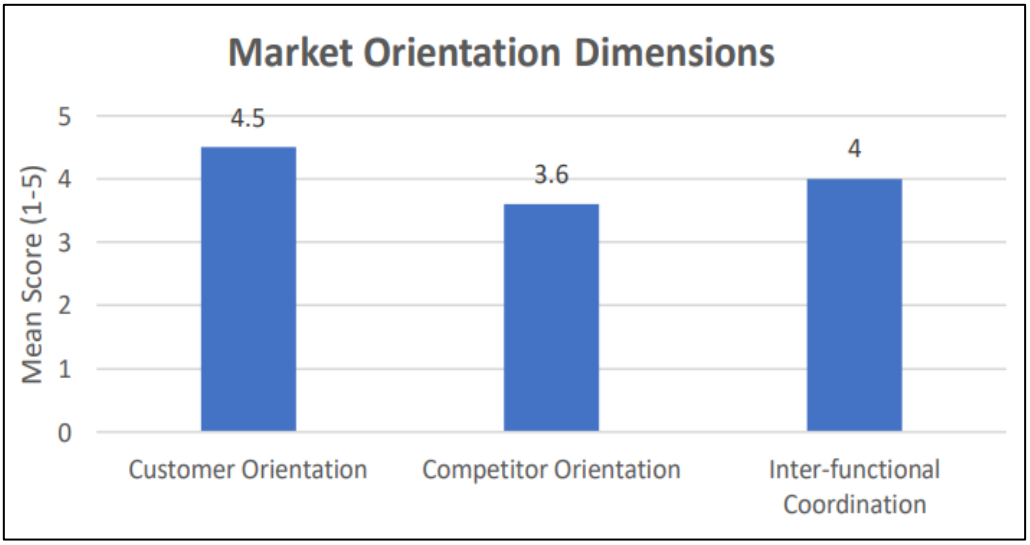


Fig 7 Market Orientation Dimensions - Overall Scores
Primary Data Source: 2026

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Figure 7 shows the overall mean scores for the three dimensions of market orientation: customer orientation, competitor orientation, and inter-functional coordination. The results shows that customer orientation had the highest mean score at 4.5, indicating a very strong customer focus among retail MSMEs in Mumbwa. The inter-functional coordination had a mean score of 4.0, while competitor orientation had the lowest mean at 3.6. This pattern suggests that MSME owners prioritize understanding and serving their customers more than monitoring competitors, which may be due to the intense focus on customer relationships in the retail sector. These recorded high scores are consistent with the findings of Matao et al. (2025) in the Philippines, who found that MSMEs consistently apply market orientation principles, and with Tembo and Chisebe (2025) in Lusaka, who found that market orientation significantly influences MSME growth.

Table 12 Market Orientation - Customer Orientation

Statement	Mean	Std Dev
Regularly ask customers about their needs and preferences	4.14	1
Focus on delivering products that satisfy customer expectations	4.33	0.85
Respond quickly to customer complaints and feedback	4.22	0.9
Overall Customer Orientation Mean	4.23	0.92

Primary Data Source: 2026

Table 2 presents the customer orientation dimension. According to the findings, a very high proportion of respondents demonstrated strong customer orientation, with 80% agreeing that they regularly ask customers about their needs and preferences (mean=4.14), 88% agreeing that they focus on delivering products/services that satisfy customer expectations (mean=4.33), and 83% agreeing that they respond quickly to customer complaints and feedback (mean=4.22). These high scores in the results indicate that retail MSME owners in Mumbwa place a very strong emphasis on understanding and satisfying their customers. These findings are consistent with the findings of Bamfo and Kraa (2019) in Ghana, who found that customer orientation is a critical component of market orientation in MSMEs, and with Mubita (2019) who found that marketing activities are positively related to MSME growth in Kabwe, Zambia.

Table 13 Market Orientation - Competitor Orientation

Statement	Mean	Std Dev
Keep track of what competitors are doing regarding pricing and products	3.69	1.15
Adjust business strategies based on competitor actions	3.55	1.18
Overall Competitor Orientation Mean	3.62	1.17

Primary Data Source: 2026

Table 13 shows the competitor orientation dimension. According to the findings, 63% of respondents agreed that they keep track of what competitors are doing (mean=3.69), while 57% agreed that they adjust business strategies based on competitor actions (mean=3.55). The scores in the findings are moderate indicating that MSME owners are aware of competitive dynamics and consider competitor information in their decision-making, though to a lesser extent than customer information. The results are consistent with the findings of Dubihlela et al. (2015) in South Africa, who found that while competitor orientation is important, MSMEs often lack the resources for systematic competitive intelligence gathering.

Table 14 Market Orientation - Inter-Functional Coordination

Statement	Mean	Std Dev
All workers understand the importance of satisfying customer needs	4.15	0.9
Information about customers is shared among everyone working in your business	3.97	1

Primary Data Source: 2026

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Table 14 presents the inter-functional coordination dimension. From the results, 80% of respondents agreed that all workers understand the importance of satisfying customer needs (mean=4.15), and 73% agreed that information about customers is shared among everyone working in the business (mean=3.97). The high scores suggest that even in small businesses with limited employees, there is a collective understanding of the importance of customer satisfaction and significant information sharing. The finding is consistent with Nikmah et al. (2020), who found that inter-functional coordination is a key component of market orientation that mediates the relationship between market orientation and SME performance.

➢ *Presentation of Results Based on a Thematic Area Developed from Objective Four:*

To Ascertain the Limitations of MSME Business Growth Strategies This section presents the results on the limitations of MSME business growth strategies in the retail sector of Mumbwa District. The presentation includes both quantitative and qualitative data on internal and external constraints affecting MSME growth.

- *Quantitative Findings on Limitations of MSME Growth Strategies*

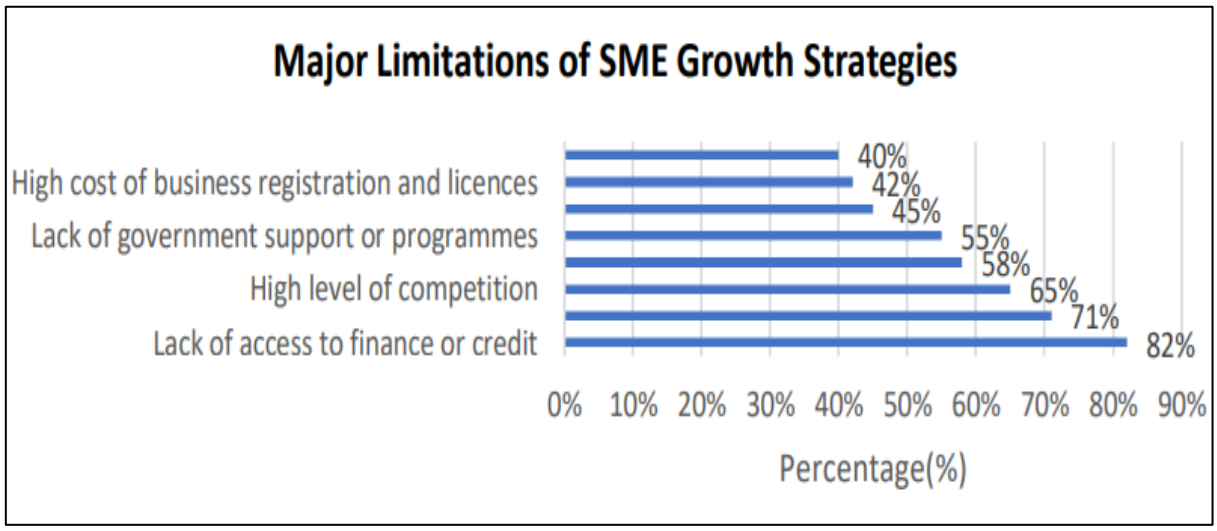


Fig 8 Major Limitations of MSME Growth
Primary Data Source: 2026

Figure 8 illustrates the major limitations of SME growth strategies as reported by MSME owners/managers. Lack of access to finance was the most significant limitation, cited by 82% of respondents as a major constraint. According to the findings, high interest rates on loans were reported by 71% of respondents as a major limitation, while high level of competition was mentioned by 65% of respondents as a major limitation. The lack of business management skills was cited by 58%, and lack of government support by 55%. The other limitations included poor infrastructure (45%), high cost of business registration (42%), and crime and theft (40%). These findings are consistent with the work of Musona (2014) in Lusaka, who found that excessive competition, lack of access to finance, and lack of market demand were the primary challenges facing micro enterprises. These findings also align with the findings of Muchoka (2018) in Kabwata Constituency, who identified internal and external factors affecting SME growth.

Table 15 Limitations of MSME Growth Strategies

Limitation	Mean	Std Dev
Lack of access to finance or credit	2.76	0.62
High interest rates on loans	2.6	0.68
Lack of business management skills	2.41	0.76
High level of competition	2.52	0.72
Poor infrastructure (roads, electricity, water)	2.2	0.82

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High cost of business registration and licences	2.12	0.83
Crime and theft affecting the business	2.15	0.8
Lack of government support or programmes	2.35	0.78

Primary Data Source: 2026

Table 15 provides detailed responses on the limitations of MSME growth strategies and according to the findings, the highest mean score of (2.76) was for lack of access to finance perceived as the most severe limitation. The high interest rates had a mean score of 2.60, followed by high level of competition at 2.52, and lack of business management skills at 2.41. According to the findings, poor infrastructure of (mean=2.20), crime and theft of (mean=2.15), high cost of registration (mean=2.12) were perceived as comparatively less severe, though still significant constraints. The predominance of financial constraints as the primary limitation is consistent with the findings of Tembo and Chisebe (2025), who found that access to finance is the strongest predictor of SME growth in Lusaka, and with Daka (2017), who found that SMEs face significant challenges in accessing credit facilities from banks.

➢ *Discussion of Research Findings*

This section discusses the research findings in relation to the study objectives, the theoretical framework, and the existing literature reviewed in Chapter Two. According to the findings, the discussion is organized according to the four specific objectives of the study.

- *Discussion of Findings on Entrepreneurial Orientation and MSME Growth*

The first objective of this study was to assess the effect of entrepreneurial orientation on the growth of MSMEs in the retail sector of Mumbwa District. The results revealed a moderate to high level of entrepreneurial orientation among MSME owners, with mean scores of 3.6 for risk-taking, 4.3 for proactiveness, and 3.8 for innovativeness on a 5-point scale. These results are consistent with the findings of Chota (2020) in Lusaka, who found that entrepreneurial orientation dimensions had a positive and significant effect on business performance of MSMEs. However, the proactiveness score in Mumbwa of (4.3) was higher than that reported by Chota (2020), which may reflect the more competitive and dynamic retail environment in semi-rural areas where MSME owners must be particularly vigilant to survive.

The risk-taking scores of (mean=3.6) were moderate, indicating that while MSME owners in Mumbwa recognized that bold business actions are necessary for growth, they were more cautious in committing resources to uncertain ventures. This is consistent with the findings of Hussein et al. (2025) in Somalia, who found that while risk-taking has significant positive effects on business performance, MSMEs in resource-constrained environments often exhibit risk aversion. The qualitative data from this study revealed that this risk aversion is driven primarily by financial constraints and the absence of a safety net, as noted by KI-02 and KI-08. This supports the argument by Tembo and Chisebe (2025) that access to finance moderates the relationship between entrepreneurial orientation and SME growth.

The findings on proactiveness of (mean=4.3) are consistent with the work of Kamendi (2016) in Kenya, who found that proactiveness influenced MSME growth to a large extent. From the findings, the MSME owners in Mumbwa demonstrated proactive behaviors such as monitoring market trends and anticipating changes in customer needs. Further from the findings, the particularly high score for encouraging employee creativity of (mean=4.02) suggests that MSME owners value participative management, which is a positive indicator of organizational learning and adaptability. This is supported by the qualitative data, where KI-07 noted that "being proactive here means adjusting quickly" rather than being the first to introduce new products.

The innovativeness scores of (mean=3.8) indicate that MSME owners in Mumbwa do engage in innovative activities, particularly investing in new methods of operation and improving efficiency. However, the focus appears to be on incremental improvements rather than radical innovation which is consistent with

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the findings of Christiana and Islam (2025) in Nigeria, who found that innovativeness has a significant positive effect on MSME performance, but that innovation in MSMEs is often incremental. The qualitative data from KI-05 and KI-10 indicated that innovation in Mumbwa is often driven by necessity, with MSME owners finding creative solutions to operational challenges.

From a theoretical perspective, these findings support the Resource-Based View (RBV) as articulated by Barney (1991) and the Innovation Theory proposed by Schumpeter (1949). According to the findings, entrepreneurial orientation, as a bundle of internal capabilities (risk-taking, pro-activeness, and innovativeness, represents valuable and rare resources that can provide competitive advantage and drive growth. However, the findings also demonstrate that the effect of EO on growth is moderated by contextual factors such as access to finance and the economic environment, as suggested by the conceptual framework of Van der Merwe et al. (2020). And this is consistent with the moderation analysis framework proposed in this study, where access to finance, owner skills, and market competition were hypothesized to influence the strength of the EO-growth relationship.

- *Discussion of Findings on Innovation Capabilities and MSME Growth*

The second objective of this study was to examine the effects of innovation capabilities on MSME business growth. The results revealed moderate levels of innovation capabilities, with mean scores of 3.2 for product innovation, 3.8 for process innovation, and 3.6 for marketing innovation. Further, the relatively higher score for process innovation (mean=3.8) is particularly significant, with 70% of respondents adopting technology such as mobile money, digital records, or social media to improve operations. This finding is consistent with the research of Malolo and Kabubi (2026) in Chongwe, Zambia, who found that innovation has a significant impact on MSME performance.

The results on product innovation of (mean=3.2) indicate that retail MSMEs in Mumbwa primarily focus on improving existing products rather than introducing entirely new ones. This is consistent with Rexhepi (2014) in Kosovo and Issau et al. (2020) in Ghana, who found that MSMEs primarily focus on product improvement rather than introducing entirely new offerings. The qualitative data from this study revealed that resource constraints, particularly limited capital and skills, are the primary barriers to more radical product innovation, as noted by KI-02 and KI-07.

The findings further highlights that the high adoption of process innovation, particularly mobile money and digital technologies, reflects the rapid diffusion of digital financial services in Zambia, as noted by Nalumino (2023). This finding aligns with the work of Heenkenda et al. (2022) in Sri Lanka, who found that innovation capability had a direct beneficial influence on SME sustainability. The qualitative data from KI-06 and KI-09 confirmed that technology adoption has been a significant driver of innovation and efficiency in Mumbwa's retail sector.

The results on marketing innovation (mean=3.6) indicate moderate levels of marketing adaptation, with MSME owners using new advertising methods and adjusting pricing and packaging to meet customer needs. This is consistent with the findings of Sulistyo and Ayuni (2019) in Indonesia, who concluded that innovation capabilities have a significant effect on performance and competitive advantages. The qualitative data from KI-04 and KI-08 revealed that SME owners are creative in finding ways to differentiate themselves and serve their customers better, even with limited resources.

From a theoretical perspective, these findings strongly support the Innovation Theory of Schumpeter (1949), which posits that innovation is the primary driver of economic growth and competitive advantage.The findings further also align with the Resource-Based View (Barney, 1991), which suggests that innovation capabilities represent valuable, rare, and difficult-to-imitate resources that can provide sustained competitive advantage. The higher scores for process innovation over product innovation may reflect the nature of retail

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MSMEs in resource-constrained environments, where efficiency improvements and technology adoption are more feasible than developing entirely new products.

- *Discussion of Findings on Market Orientation and MSME Growth*

The third objective of this study was to analyse the effect of market orientation on MSME business growth. The results revealed strong market orientation among retail MSMEs in Mumbwa, particularly in customer orientation of (mean=4.5), followed by inter-functional coordination of (mean=4.0) and competitor orientation of (mean=3.6). The findings are consistent with the work of Tembo and Chisebe (2025) in Lusaka, who found that market orientation significantly influences MSME growth, and with the findings of Matao et al. (2025) in the Philippines, who found that MSMEs consistently apply market orientation principles.

The very high customer orientation scores of (mean=4.5) indicate that MSME owners in Mumbwa place an extremely strong emphasis on understanding and satisfying their customers. This is consistent with the findings of Bamfo and Kraa (2019) in Ghana, who found that customer orientation is a critical component of market orientation in MSMEs. The qualitative data from KI-07 and KI-05 confirmed that customer focus is the cornerstone of successful retail businesses in Mumbwa, with successful MSME owners prioritizing customer relationships and responding quickly to customer needs.

The competitor orientation scores of (mean=3.6) were lower than customer orientation, indicating that MSME owners focus more on customers than on monitoring competitors. According to the findings, this is consistent with the findings of Dubihlela et al. (2015) in South Africa, who found that while competitor orientation is important, MSMEs often lack the resources for systematic competitive intelligence gathering. Accordingly, the qualitative data from KI-02 and KI-09 revealed that competitive intelligence in Mumbwa is often informal and reactive rather than proactive and systematic.

The inter-functional coordination scores of (mean=4.0) indicate that even in small businesses, there is a collective understanding of the importance of customer satisfaction and significant information sharing. This is consistent with the findings of Nikmah et al. (2020), who found that inter-functional coordination is a key component of market orientation that mediates the relationship between market orientation and MSME performance.

From a theoretical perspective, these findings strongly support the Economic Theory as articulated by Papanek and Harris (1962/1970), which emphasizes that market understanding and responsiveness are critical for economic development and firm growth. The findings also align with the Resource-Based View (Barney, 1991), suggesting that market orientation represents a valuable organizational resource that enables MSMEs to achieve competitive advantage and growth. The very high customer orientation scores reflect the nature of the retail sector, where close customer relationships are essential for survival and growth.

- *Discussion of Findings on Limitations of MSME Growth Strategies*

The fourth objective of this study was to ascertain the limitations of MSME business growth strategies. The results revealed multiple internal and external constraints, with the most significant being access to finance (82% major limitation), high interest rates (71%), high competition (65%), and lack of business management skills (58%). These findings are consistent with the work of Musona (2014) in Lusaka, who found that excessive competition, lack of access to finance, and lack of market demand were the primary challenges facing micro enterprises. They also align with the findings of Muchoka (2018) in Kabwata Constituency, who identified internal and external factors affecting MSME growth.

The research findings indicates that the predominance of financial constraints as the primary limitation is consistent with the findings of Tembo and Chisebe (2025), who found that access to finance is the strongest predictor of MSME growth in Lusaka, and with Daka (2017), who found that MSMEs face significant

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challenges in accessing credit facilities from banks. The qualitative data from KI-01 and KI-04 highlighted that MSME owners in Mumbwa face a "financial trap" where they cannot access formal credit due to collateral requirements, and informal sources of finance often charge prohibitively high interest rates.

The high level of competition in the retail sector (65% major limitation) is consistent with the findings of Mmieh and Mordi (2017) in Ghana, who found that competition is a significant factor influencing MSME growth. According to the findings, the qualitative data from KI-07 and KI-10 revealed that the retail sector in Mumbwa is characterized by intense price competition, market saturation, and the entry of larger retailers that can offer lower prices due to economies of scale.

The findings shows that 58% of respondents identified lack of business management skills as a major limitation is consistent with the work of Ndhlovu (2022), who found that entrepreneurial training is essential for skills development and MSME growth, and with Mvula and Hapompwe (2025), who found that managerial skills are critical for SME success. The qualitative data from KI-02 and KI-03 indicated that many MSME owners lack essential business management skills, including financial management, marketing, and strategic planning.

The results further shows that 55% of respondents identified lack of government support as a major limitation is consistent with the work of Mwami and Hapompwe (2024), who found that government support for MSMEs in Zambia is lacking in strategic knowledge and planning, and with Nuwagaba (2015), who noted that over 90% of MSMEs operate in the informal sector, making it difficult for the government to support them efficiently.

From a theoretical perspective, these findings support the Economic Theory (Papanek & Harris, 1962/1970) and the Resource Dependency Theory (RDT), which emphasize that external constraints such as limited access to finance, inadequate infrastructure, and unsupportive policies can significantly constrain firm growth. The findings also align with the Institutional Theory perspective, which suggests that the institutional environment (regulations, government policies, and support programs) shapes the ease or difficulty with which MSMEs operate and grow.

- *Synthesis of Findings and Theoretical Integration*

The synthesis of findings across all four objectives reveals that MSME growth in the retail sector of Mumbwa District is influenced by a complex interplay of internal factors (entrepreneurial orientation, innovation capabilities, and market orientation) and external constraints (financial limitations, skills gaps, competition, infrastructure, and government support). The findings support the conceptual framework adapted from Van der Merwe et al. (2020), which posits that MSME growth at the base of the pyramid is influenced by a combination of entrepreneurial spirit, resource accessibility, and market awareness.

- *The Findings Support the three Theoretical Perspectives that Guided this Study:*

Innovation Theory (Schumpeter, 1949): The findings, innovation capabilities, including product, process, and marketing innovation, are positively associated with MSME growth. However, the moderate levels of innovation suggest that MSME owners in Mumbwa face significant constraints in fully exploiting innovation for growth.

Economic Theory (Papanek & Harris, 1962/1970): The market orientation is critical for MSME growth, with customer orientation being particularly important in the retail sector. The findings also highlight that economic constraints, particularly limited access to finance, are the most significant barriers to MSME growth.

Resource-Based View (Barney, 1991): The internal resources and capabilities, including entrepreneurial orientation, innovation capabilities, and market orientation, are valuable strategic resources that enable

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MSMEs to achieve competitive advantage and growth. However, these resources alone are insufficient for growth; they must be complemented by access to external resources such as finance and supportive government policies.

- *Comparison with Previous Studies*

The findings of this study are generally consistent with previous research on SME growth in Zambia and other developing countries. Further, the significant effect of entrepreneurial orientation on MSME growth is consistent with the findings of Chota (2020) in Lusaka, Kamendi (2016) in Kenya, and Hussein et al. (2025) in Somalia. The moderate effect of innovation capabilities is consistent with the findings of Malolo and Kabubi (2026) in Chongwe, Zambia, and Heenkenda et al. (2022) in Sri Lanka. According to the findings, the strong effect of market orientation is consistent with the findings of Tembo and Chisebe (2025) in Lusaka and Mubita (2019) in Kabwe, Zambia.

The limitations identified in this study are also consistent with previous research. According to the findings, the predominance of financial constraints is consistent with the findings of Daka (2017), Muchoka (2018), and Tembo and Chisebe (2025). According to the findings, the high level of competition is consistent with the findings of Musona (2014) and Mmieh and Mordi (2017) and the lack of government support is consistent with the findings of Mwami and Hapompwe (2024) and Nuwagaba (2015).

However, this study contributes new knowledge by examining these factors simultaneously in the context of a semi-rural retail sector in Zambia, which has been under-researched compared to urban areas.The study also contributes by testing the moderating effects of access to finance, owner skills, and market competition on the relationship between the independent variables and MSME growth, which has not been extensively examined in the Zambian context.

- *Summary of Discussion*

The discussion of findings reveals that:

Entrepreneurial Orientation has a moderate to high positive effect on MSME growth in Mumbwa's retail sector, with proactiveness being the most influential dimension measuring (mean=4.3), however, risk-taking is constrained by limited financial resources and the absence of a safety net.

Innovation Capabilities have a moderate positive effect on MSME growth, with process innovation (particularly technology adoption) having the strongest effect measuring (mean=3.8) while product innovation is constrained by resource limitations.

Market Orientation has a strong positive effect on MSME growth, with customer orientation being the most influential dimension measuring (mean=4.5) while competitor orientation is less developed due to limited systematic intelligence gathering.

Limitations of MSME Growth are predominantly financial, with lack of access to finance at (82%), high interest rates of (71%), and intense competition of (65%) being the most significant constraints. The skills gaps of (58%), infrastructure challenges at (45%), and limited government support of (55%) also significantly constrain growth.

These findings validate the conceptual framework adapted from Van der Merwe et al. (2020) and confirm the utility of the three theoretical perspectives that guided this study. The findings also highlight the need for targeted interventions to address the specific constraints facing retail MSMEs in semi-rural areas like Mumbwa District.

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CHAPTER FIVE
CONCLUSION AND RECOMMENDATIONS

A. Overview

This chapter presents the conclusion and recommendations of the study on the perception of the determinants of MSME growth in the retail sector of Mumbwa District, Zambia. According to the findings, the chapter is organized into two main sections. The first section presents the conclusion drawn from the findings of the study based on the four specific objectives: (1) to assess the effect of entrepreneurial orientation on the growth of MSMEs; (2) to examine the effects of innovation capabilities on MSME business growth; (3) to analyse the effect of market orientation on MSME business growth; and (4) to ascertain the limitations of MSME business growth strategies. The second section presents recommendations for policy implementers, MSME practitioners, and future researchers.Then the recommendations are designed to address the specific constraints and opportunities identified in the study, with the aim of promoting sustainable MSME growth in Mumbwa District and other semi-rural areas of Zambia facing similar challenges.

➢ *Conclusion*

This study set out to examine the perception of the determinants of MSME growth, using MSMEs in the retail sector of Mumbwa District, Zambia, as a case study. The study was guided by four specific objectives and was underpinned by three theoretical perspectives: the Innovation Theory by Joseph Schumpeter (1949), the Economic Theory by G.F. Papanek and J.R. Harris (1962/1970), and the Resource-Based View by Jay Barney (1991). The study adopted a mixed-methods research design, combining quantitative and qualitative approaches, with a sample of 100 retail MSMEs and 10 key informants from the Ministry of Micro, Small and Medium Enterprise Development and the Mumbwa Business Association. And based on the analysis and discussion of the research findings, the following conclusions are drawn:

- *Conclusion on Entrepreneurial Orientation and MSME Growth*

The first objective of this study was to assess the effect of entrepreneurial orientation on the growth of MSMEs in the retail sector of Mumbwa District. The study concluded that entrepreneurial orientation has a moderate to high positive effect on MSME growth, with an overall mean score of 3.9 out of 5.0. Among the three dimensions of entrepreneurial orientation, proactiveness had the highest mean score of 4.3, followed by innovativeness at 3.8, and risk taking at 3.6. This indicates that MSME owners in Mumbwa are highly proactive in monitoring market trends, anticipating changes in customer needs, and encouraging creative ideas from their employees. However, the moderate risk-taking scores suggest that MSME owners are cautious in committing resources to uncertain ventures due to limited financial resources and the absence of a safety net.

The study further concluded that the relationship between entrepreneurial orientation and MSME growth is moderated by contextual factors such as access to finance, owner skills, and market competition. This finding validates the conceptual framework adapted from Van der Merwe et al. (2020) and supports the Resource-Based View (Barney, 1991), which posits that internal capabilities alone are insufficient for growth; they must be complemented by access to external resources. The qualitative data revealed that while MSME owners possess entrepreneurial spirit and proactive behaviors, financial constraints significantly limit their ability to take calculated risks and fully exploit entrepreneurial opportunities.

The study therefore concludes that entrepreneurial orientation is a significant determinant of MSME growth in the retail sector of Mumbwa District, however, the full potential of entrepreneurial orientation cannot be realized without addressing the financial constraints and skills gaps that moderate its effect on growth. This conclusion is consistent with the findings of Chota (2020) in Lusaka, Kamendi (2016) in Kenya, and Hussein et al. (2025) in Somalia, who found that entrepreneurial orientation has a positive and significant effect on MSME performance.

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- *Conclusion on Innovation Capabilities and MSME Growth*

The second objective of this study was to examine the effects of innovation capabilities on MSME business growth in the retail sector of Mumbwa District. The study concluded that innovation capabilities have a moderate positive effect on MSME growth, with an overall mean score of 3.5 out of 5.0. And among the three dimensions of innovation capabilities, process innovation had the highest mean score of 3.8, followed by marketing innovation at 3.6, and product innovation at 3.2. According to the findings, this indicates that MSME owners in Mumbwa are more focused on improving their operational processes and adopting new technologies than on developing entirely new products.

The study further concluded that technology adoption, particularly mobile money and digital payment systems, has been a significant driver of process innovation and MSME growth in Mumbwa. The results showed that 70% of respondents agreed that they use technology such as mobile money, digital records, or social media to improve operations. Further the the findings indicated high adoption of digital technologies reflecting rapid diffusion of digital financial services in Zambia and demonstrating that even in semi-rural areas, MSMEs are embracing technology to enhance efficiency and customer service. The conclusion is consistent with the findings of Malolo and Kabubi (2026) in Chongwe, Zambia, and Heenkenda et al. (2022) in Sri Lanka, who found that innovation has a significant impact on MSME performance.

On product innovation, the study concluded that there was weakest dimension of innovation capabilities, with a mean score of 3.2 suggesting that MSME owners in Mumbwa primarily focus on improving existing products rather than introducing entirely new product lines. The qualitative data revealed that resource constraints, particularly limited capital and skills, are the primary barriers to more radical product innovation. The conclusion is consistent with Rexhepi (2014) in Kosovo and Issau et al. (2020) in Ghana, who found that MSMEs primarily focus on product improvement rather than introducing entirely new offerings.

The study therefore concludes that innovation capabilities are a significant determinant of MSME growth in the retail sector of Mumbwa District. The process innovation, particularly technology adoption, has the strongest effect on MSME growth, followed by marketing innovation and product innovation. This means that for retail MSMEs in Mumbwa, focusing on process improvements and technology adoption may yield more immediate growth benefits than product innovation, which requires more significant resource commitments.

- *Conclusion on Market Orientation and MSME Growth*

The third objective of this study was to analyse the effect of market orientation on MSME business growth in the retail sector of Mumbwa District. The study concluded that market orientation has a strong positive effect on MSME growth, with an overall mean score of 4.0 out of 5.0. Among the three dimensions of market orientation, customer orientation had the highest mean score of 4.5, followed by inter-functional coordination at 4.0, and competitor orientation at 3.6. This indicates that MSME owners in Mumbwa place an extremely strong emphasis on understanding and satisfying their customers.

The study further concluded that customer orientation is the most influential dimension of market orientation, with 88% of respondents agreeing that they focus on delivering products that satisfy customer expectations, and 83% agreeing that they respond quickly to customer complaints and feedback. The qualitative data confirmed that customer focus is the cornerstone of successful retail businesses in Mumbwa, with MSME owners building personal relationships with their customers and actively seeking and acting on customer feedback. This conclusion is consistent with the findings of Bamfo and Kraa (2019) in Ghana, Mubita (2019) in Kabwe, Zambia, and Tembo and Chisebe (2025) in Lusaka, who found that customer orientation is a critical component of market orientation in MSMEs.

The study concluded that competitor orientation is the weakest dimension of market orientation, with a mean score of 3.6 while 63% of respondents agreed that they keep track of what competitors are doing, the

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qualitative data revealed that competitive intelligence gathering is often informal and reactive rather than proactive and systematic. These findings suggests that MSME owners in Mumbwa focus more on understanding and serving their customers than on monitoring and responding to competitors. This conclusion is consistent with the findings of Dubihlela et al. (2015) in South Africa, who found that while competitor orientation is important, MSMEs often lack the resources for systematic competitive intelligence gathering.

Further the results showed that the market orientation is a significant determinant of MSME growth in the retail sector of Mumbwa District. While the customer orientation has the strongest effect on MSME growth, followed by inter-functional coordination and competitor orientation. These results suggests that for retail MSMEs in Mumbwa, focusing on understanding and satisfying customers is the most effective market orientation strategy for driving growth. This conclusion also supports the Economic Theory (Papanek & Harris, 1962/1970), which emphasizes that market understanding and responsiveness are critical for economic development and firm growth.

- *Conclusion on Limitations of MSME Growth Strategies*

The fourth objective of this study was to ascertain the limitations of MSME business growth strategies in the retail sector of Mumbwa District and the conclusion indicates that SME growth in Mumbwa is constrained by multiple internal and external factors, with financial constraints being the most significant limitation. The results indicates that 82% of respondents identified lack of access to finance as a major limitation, and 71% identified high interest rates on loans as a major limitation. The qualitative data revealed that MSME owners face a "financial trap" where they cannot access formal credit due to collateral requirements, and informal sources of finance often charge prohibitively high interest rates.

The study further concluded that high competition in the retail sector is a significant limitation, with 65% of respondents identifying it as a major constraint. The qualitative data revealed that the retail sector in Mumbwa is characterized by intense price competition, market saturation, and the entry of larger retailers that can offer lower prices due to economies of scale. This conclusion is consistent with the findings of Musona (2014) in Lusaka, Mmieh and Mordi (2017) in Ghana, and Muchoka (2018) in Kabwata Constituency, who found that competition is a significant factor influencing MSME growth.

The results also showed that lack of business management skills is a major limitation, with 58% of respondents identifying it as a major constraint. The qualitative data revealed that many MSME owners lack essential business management skills, including financial management, marketing, and strategic planning. This conclusion is consistent with the findings of Ndhlovu (2022) and Mvula and Hapompwe (2025), who found that entrepreneurial training and managerial skills are critical for MSME success.

The study concluded that lack of government support is a significant limitation, with 55% of respondents identifying it as a major constraint. The qualitative data revealed that government programs often do not reach rural and semi-rural areas, and when support does come, it is often poorly implemented. This conclusion is consistent with the findings of Mwami and Hapompwe (2024) and Nuwagaba (2015), who found that government support for MSMEs in Zambia is lacking in strategic knowledge and planning.

The study therefore concludes that MSME growth in the retail sector of Mumbwa District is significantly constrained by multiple factors, with financial constraints being the most severe, followed by competition, lack of skills, and limited government support. These limitations are consistent with the Economic Theory (Papanek & Harris, 1962/1970), the Resource Dependency Theory, and the Institutional Theory, which emphasize that external constraints such as limited access to finance, inadequate infrastructure, and unsupportive policies can significantly constrain firm growth.

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- *Overall Conclusion*

The study concludes that MSME growth in the retail sector of Mumbwa District is influenced by a complex interplay of internal factors (entrepreneurial orientation, innovation capabilities, and market orientation) and external constraints (financial limitations, skills gaps, competition, infrastructure, and limited government support). And it validates the conceptual framework adapted from Van der Merwe et al. (2020), which posits that MSME growth at the base of the pyramid is influenced by a combination of entrepreneurial spirit, resource accessibility, and market awareness.

The study further concludes that market orientation has the strongest positive effect on MSME growth, followed by entrepreneurial orientation and innovation capabilities. And customer orientation is the most influential dimension of market orientation, proactiveness is the most influential dimension of entrepreneurial orientation, and process innovation is the most influential dimension of innovation capabilities. However, the full potential of these internal capabilities cannot be realized without addressing the external constraints that moderate their effect on growth.

This concludes that access to finance is the most significant limitation of MSME growth in Mumbwa District, followed by high interest rates, competition, lack of business management skills, and limited government support. These limitations are consistent with the three theoretical perspectives that guided this study and with previous research on MSME growth in Zambia and other developing countries.

The study makes an important contribution to the existing body of knowledge by shifting the focus from urban-centred MSME research to an under-researched semi-rural context. According to the findings, the study provides empirical evidence that can inform targeted interventions for sustainable MSME development in Zambia and other developing economies facing similar challenges. This research findings concludes that addressing the identified limitations and strengthening the internal capabilities of MSME owners are essential for promoting sustainable MSME growth and contributing to economic development, employment creation, and poverty reduction in Mumbwa District and other semi-rural areas of Zambia.

➢ *Recommendations*

Based on the conclusions drawn from this study, the following recommendations are made for policy implementer, MSME practitioners, and future researchers. The recommendations are organized into three categories: recommendations for policy implementer, recommendations for MSME practitioners, and recommendations for future research.

- *Recommendations for Policy Implementers*

Table 16 Recommendations for Policy Implementers

Recommendation	Target	Priority	Expected Outcome
Improve Access to Finance	Ministry of Finance, Bank of Zambia, Commercial Banks, MFIs	High	Increased access to credit for MSMEs; reduced interest rates; simplified loan application processes
Provide Business Management Training	MoMSMED, CEEC, Business Associations	High	Enhanced business management skills; improved financial literacy; better strategic planning
Develop Infrastructure	Ministry of Infrastructure, Local Council	Medium	Reliable electricity supply; improved roads; adequate water supply
Strengthen Government Support Programs	MoMSMED, ZDA, CEEC	High	Targeted support for rural MSMEs; simplified CDF application process; reduced regulatory burden

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Promote Technology Adoption	MoMSMED, Ministry of Technology, ZDA	Medium	Increased technology adoption; enhanced digital literacy; improved business efficiency
Encourage Market Linkages	MoMSMED, ZDA, Business Associations	Medium	Improved market access; enhanced competitiveness; increased sales and profits

✓ *Recommendation 1: Improve Access to Finance*

Access to finance was identified as the most significant limitation of MSME growth in Mumbwa District, with 82% of respondents citing it as a major constraint. Therefore the study recommends that the government, through the Ministry of Finance and the Bank of Zambia, should implement policies to improve access to finance for MSMEs in semi-rural areas. This recommendation should include reducing collateral requirements for SME loans, simplifying loan application processes, and promoting the establishment of microfinance institutions in rural areas. Commercial banks and microfinance institutions should be encouraged to develop innovative lending products tailored to the needs of MSMEs in semi-rural areas, such as group lending, asset-based lending, and mobile banking solutions. Further interest rates on MSME loans should be subsidized or capped to make credit more affordable for small business owners, as high interest rates were identified as a major limitation by 71% of respondents.

✓ *Recommendation 2: Provide Business Management Training*

Lack of business management skills was identified as a major limitation by 58% of respondents and it recommends that the Ministry of Micro, Small and Medium Enterprise Development (MoMSMED), in collaboration with the Citizen Economic Empowerment Commission (CEEC) and business associations, should provide comprehensive business management training programs for MSME owners in Mumbwa District. These training programs should focus on essential business management skills, including financial management, marketing, record keeping, strategic planning, and customer relationship management. And they should be delivered in accessible formats and locations, taking into account the educational levels and literacy of MSME owners in semi-rural areas. Further training programs should be practical and hands-on, with a focus on applying learning to the daily operations of retail businesses.

✓ *Recommendation 3: Develop Infrastructure*

Poor infrastructure was identified as a limitation by 45% of respondents, with unreliable electricity and poor roads being particularly significant constraints. Therefore from the findings, the recommendation is that the government, through the Ministry of Infrastructure and the Local Council, should prioritize the development of infrastructure in Mumbwa District to support MSME growth. This should include improving the reliability of electricity supply, upgrading roads, and ensuring access to adequate water supply. The reliable infrastructure is essential for MSMEs to operate efficiently, adopt technology, and expand their market reach. Further, the government should also invest in market infrastructure, such as market shelters and storage facilities, to improve the operating environment for retail MSMEs.

✓ *Recommendation 4: Strengthen Government Support Programs*

Lack of government support was identified as a limitation by 55% of respondents, with government programs often not reaching rural and semi-rural areas. The study recommends that the government, through MoMSMED, the Zambia Development Agency (ZDA), and CEEC, should strengthen support programs for MSMEs in rural and semi-rural areas. And this should include developing targeted programs that address the specific needs of MSMEs in these areas, such as rural enterprise development programs, agricultural marketing support, and value addition initiatives. The Constituency Development Fund (CDF) application process should be simplified and made more transparent and accessible to SME owners. The government should also reduce the regulatory burden on MSMEs by simplifying business registration processes, reducing licensing costs, and streamlining tax compliance requirements.

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✓ *Recommendation 5: Promote Technology Adoption*

Technology adoption was identified as a key driver of process innovation and MSME growth, with 70% of respondents using technology such as mobile money, digital records, or social media to improve operations. The study recommends that the government, through MoMSMED, the Ministry of Technology, and ZDA, should promote technology adoption among MSMEs in Mumbwa District. This should include providing training on digital literacy, promoting the use of mobile money and digital payment systems, and encouraging the adoption of social media for business marketing. The government should also support the development of digital infrastructure in rural and semi-rural areas, including internet connectivity and mobile network coverage.

✓ *Recommendation 6: Encourage Market Linkages*

The study recommends that the government, through MoMSMED, ZDA, and business associations, should encourage market linkages for MSMEs in Mumbwa District. This should include facilitating connections between MSMEs and larger buyers, such as supermarkets, hotels, and government institutions. The government should also support the development of local value chains and encourage MSMEs to participate in trade fairs and exhibitions. Market linkages can help MSMEs access larger markets, improve their competitiveness, and increase their sales and profits.

- *Recommendations for MSME Practitioners*

Table 17 Recommendations for MSME Practitioners

Recommendation	Target	Priority	Expected Outcome
Strengthen Customer Orientation	MSME Owners	High	Improved customer loyalty; increased repeat business; enhanced business growth
Adopt Technology	MSME Owners	High	Improved operational efficiency; enhanced customer service; increased sales
Invest in Innovation	MSME Owners	Medium	Improved product quality; enhanced competitiveness; increased market share
Develop Proactive Behaviors	MSME Owners	Medium	Improved market intelligence; enhanced ability to anticipate customer needs
Seek Training and Skills Development	MSME Owners	High	Enhanced business management skills; improved financial literacy; better decision-making
Join Business Associations	MSME Owners	Medium	Access to networks, information, and support; improved advocacy
Improve Financial Management	MSME Owners	High	Better record keeping; improved profitability; enhanced ability to access finance

✓ *Recommendation 1: Strengthen Customer Orientation*

Customer orientation was identified as the most influential dimension of market orientation, with a mean score of 4.5. The study recommends that MSME owners in Mumbwa should continue to strengthen their customer orientation by regularly asking customers about their needs and preferences, focusing on delivering products that satisfy customer expectations, and responding quickly to customer complaints and feedback. MSME owners should build personal relationships with their customers, seek and act on customer feedback, and continuously adapt their offerings to meet changing customer needs further, strong customer orientation will lead to customer loyalty, repeat business, and business growth.

✓ *Recommendation 2: Adopt Technology*

Technology adoption was identified as a key driver of process innovation and MSME growth. The study recommends that MSME owners in Mumbwa should adopt technology to improve their operations and customer service. And this should include using mobile money for payments, maintaining digital records,

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using social media for marketing, and adopting digital tools for inventory management and financial tracking. According to the findings, technology adoption can help MSMEs improve operational efficiency, reduce costs, enhance customer service, and increase sales.

✓ *Recommendation 3: Invest in Innovation*

Innovation capabilities were identified as a significant determinant of MSME growth. The study recommends that MSME owners in Mumbwa should invest in innovation to enhance their competitiveness and drive growth. This should include making improvements to existing products, adopting new methods of serving customers, using new advertising and promotional methods, and finding creative solutions to operational challenges. Even small and incremental innovations can make a significant difference in business performance and growth.

✓ *Recommendation 4: Develop Proactive Behaviors*

Pro-activeness was identified as the most influential dimension of entrepreneurial orientation, with a mean score of 4.3. The study recommends that MSME owners in Mumbwa should continue to develop proactive behaviors by monitoring market trends, anticipating changes in customer needs, and being the first to introduce new products or services. Proactive behaviors can help MSMEs stay ahead of competitors, identify new opportunities, and respond effectively to market changes.

✓ *Recommendation 5: Seek Training and Skills Development*

Lack of business management skills was identified as a major limitation by 58% of respondents and the recommendation is that MSME owners in Mumbwa should actively seek training and skills development opportunities to enhance their business management capabilities. The management skills should include training in financial management, marketing, record keeping, strategic planning, and customer relationship management. MSME owners should take advantage of training programs offered by government agencies, business associations, and NGOs, and should continuously invest in their own personal and professional development.

✓ *Recommendation 6: Join Business Associations*

The study recommends that MSME owners in Mumbwa should join business associations, such as the Mumbwa Business Association, to access networks, information, and support. Business associations can provide training and capacity building programs, facilitate market linkages, advocate for MSME-friendly policies, and provide a platform for sharing experiences and learning from peers. Membership in business associations can also enhance the credibility and visibility of MSMEs and provide access to government support programs.

✓ *Recommendation 7: Improve Financial Management*

Access to finance was identified as the most significant limitation of MSME growth. According to the findings, the study recommends that SME owners in Mumbwa should improve their financial management practices to enhance their ability to access finance and manage their businesses effectively. This practices should also include keeping proper business records, maintaining accurate financial statements, understanding costs and profit margins, and preparing business plans. Further, good financial management practices can improve the credibility of MSMEs with financial institutions and increase their chances of accessing credit.

- *Recommendations for Future Research*

Table 18 Recommendations for Future Research

Recommendation	Research Focus	Justification
Conduct Longitudinal Studies	MSME growth over time	Current study was cross-sectional; longitudinal studies can track growth patterns and changes over time

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Comparative Studies	Compare urban, semi-rural, and rural MSMEs	Current study focused on semi-rural Mumbwa; comparative studies can identify context-specific factors
Sector-Specific Studies	Different MSME sectors	Current study focused on retail sector; other sectors may have different dynamics
Moderating Effects	Role of access to finance, skills, and competition	Current study incorporated moderating variables; further studies can examine them in depth
Technology Adoption	Impact of digital technologies on MSME growth	Technology is a key driver; in-depth studies can examine specific technologies and their impact
Gender Analysis	Gender differences in MSME growth	50/50 gender split in current study; gender analysis can identify gender-specific challenges and opportunities
Government Policy Impact	Effectiveness of government programs	Current study found limited government support; impact studies can evaluate effectiveness

✓ *Recommendation 1: Conduct Longitudinal Studies*

This study was cross-sectional in nature, collecting data at a single point in time. According to the findings, the study recommends that future research should conduct longitudinal studies that track MSME growth over time.The longitudinal studies can provide insights into how the perceptions of the determinants of MSME growth change as businesses mature and external conditions evolve. In addition, longitudinal studies can also help identify the causal relationships between independent variables and MSME growth, which cross-sectional studies cannot establish.

✓ *Recommendation 2: Conduct Comparative Studies*

This study focused on the retail sector in Mumbwa District, a semi-rural area and the study recommends that future research should conduct comparative studies that compare MSME growth determinants across different geographic contexts, such as urban, semi-rural, and rural areas. The comparative studies can help identify context-specific factors that influence MSME growth and can inform the development of targeted interventions for different geographic contexts.

✓ *Recommendation 3: Conduct Sector-Specific Studies*

This study focused on the retail sector in Mumbwa District. According to the findings, the study recommends that future research should examine MSME growth determinants in other sectors, such as manufacturing, agriculture, and services. Different sectors may have different dynamics, constraints, and opportunities, and sector-specific studies can provide insights into the unique factors that influence MSME growth in each sector.

✓ *Recommendation 4: Conduct In-Depth Studies on Moderating Effects*

This study incorporated moderating variables such as access to finance, owner skills, and market competition. The study recommends that future research should conduct in-depth studies on the moderating effects of these variables on the relationship between the independent variables and MSME growth. Such studies can provide insights into how these moderating variables influence the strength and direction of the relationships and can inform the development of interventions that address these moderating factors.

✓ *Recommendation 5: Conduct Studies on Technology Adoption*

Technology adoption was identified as a key driver of process innovation and MSME growth and the recommendation is that future research should conduct in-depth studies on the adoption and impact of specific technologies, such as mobile money, digital payments, social media, and e-commerce, on MSME growth. The

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studies on technology adoption can provide insights into the most effective technologies for MSMEs in semi-rural areas and can inform the development of technology promotion programs.

✓ *Recommendation 6: Conduct Gender Analysis*

This study found an equal gender distribution among MSME owners in Mumbwa (50% male, 50% female). The study recommends that future research should conduct gender analysis to examine the differences in MSME growth determinants, challenges, and opportunities between male and female-owned MSMEs and gender analysis can help identify gender-specific challenges and opportunities and can inform the development of gender-responsive interventions for MSME development.

✓ *Recommendation 7: Conduct Studies on Government Policy Impact*

Lack of government support was identified as a limitation by 55% of respondents. The study recommends that future research should conduct impact studies that evaluate the effectiveness of government programs and policies for MSME development. The studies can assess whether government programs are achieving their intended outcomes, identify gaps and weaknesses, and inform the improvement of policies and programs.

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APPENDIX

QUESTIONNAIRE

INFORMATION AND COMMUNICATIONS UNIVERSITY

SCHOOL OF BUSINESS

MASTER OF BUSINESS ADMINISTRATION (MBA)

Course Project

Dear respondent,

You have been selected to participate in this research project using appropriate sampling techniques. Therefore, your full participation will be highly appreciated.

The findings generated in this study will be handled with the highest level of confidentiality and for this academic exercise only.

Questionnaire for MSME Owners/Managers

Topic:

Examining the Pespective of the Determinants of MSME Growth: A Case Study of MSMEs in the Retail Sector of Mumbwa District, Zambia

Researcher: John Kunda

Supervisor: Dr. K. Chibomba

ICU (MBA 2026)

Please respond to the following questions as truthfully as possible. Where there are options provided, select the appropriate response by putting a tick [✓] in the box of your choice.

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➢ *Section A: Background Information*

No.	Question	Response	For Official Use
A1	Gender	☐ Male ☐ Female	
A2	Age range	☐ 18–25 ☐ 26–35 ☐ 36–45 ☐ 46–55 ☐ 56+	
A3	Highest level of education	☐ None ☐ Primary ☐ Grade 9 ☐ Grade 12 ☐ Diploma ☐ Degree+	
A4	Years operating this business	☐ <1 yr ☐ 1–3 yrs ☐ 4–6 yrs ☐ 7–10 yrs ☐ >10 yrs	
A5	Number of employees (including yourself)	☐ 1 ☐ 2–5 ☐ 6–10 ☐ 11–20 ☐ 21–50	
A6	Type of retail business	☐ Grocery/Tuck shop ☐ Clothing ☐ Hardware ☐ General dealer ☐ Mobile money ☐ Other: _____	
A7	Business ownership	☐ Sole proprietor ☐ Partnership ☐ Company ☐ Cooperative ☐ Not registered	

➢ *Section B: Entrepreneurial Orientation*

Please indicate the extent to which you agree or disagree with each statement by ticking [✓] the appropriate box.

No.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
B1	I am willing to invest resources in projects with uncertain outcomes	☐	☐	☐	☐	☐
B2	I have introduced new products/services even when unsure of success	☐	☐	☐	☐	☐
B3	I monitor market trends to identify future opportunities before competitors	☐	☐	☐	☐	☐
B4	My business anticipates and responds to changes in customer needs ahead of time	☐	☐	☐	☐	☐
B5	I encourage employees to come up with creative ideas and new ways of doing things	☐	☐	☐	☐	☐
B6	My business regularly introduces new or improved products/services	☐	☐	☐	☐	☐

➢ *Section C: Innovation Capabilities*

Please indicate the extent to which you agree or disagree with each statement by ticking [✓] the appropriate box.

No.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
C1	My business has introduced new products in the past two years	☐	☐	☐	☐	☐
C2	I have made significant improvements to the quality of my existing products	☐	☐	☐	☐	☐

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C3	I have adopted new or improved methods of serving customers	☐	☐	☐	☐	☐
C4	My business uses technology (mobile money, digital records, social media) to improve operations	☐	☐	☐	☐	☐
C5	I use new advertising or promotional methods to attract customers	☐	☐	☐	☐	☐

➢ *Section D: Market Orientation*

Please indicate the extent to which you agree or disagree with each statement by ticking [✓] the appropriate box.

No.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
D1	I regularly ask customers about their needs and preferences	☐	☐	☐	☐	☐
D2	My business focuses on delivering products that satisfy customer expectations	☐	☐	☐	☐	☐
D3	I respond quickly to customer complaints and feedback	☐	☐	☐	☐	☐
D4	I keep track of what my competitors are doing regarding pricing and products	☐	☐	☐	☐	☐
D5	All workers understand the importance of satisfying customer needs	☐	☐	☐	☐	☐

➢ *Section E: MSME Growth (Dependent Variable)*

Compare your business performance over the last three years (2023–2025) with the previous three years (2020–2022).

No.	Question	Decreased Significantly	Decreased Slightly	Remained Same	Increased Slightly	Increased Significantly
E1	How has your sales volume changed?	☐	☐	☐	☐	☐
E2	How have your profit margins changed?	☐	☐	☐	☐	☐
E3	How has your number of employees changed?	☐	☐	☐	☐	☐
E4	How has your number of regular customers changed?	☐	☐	☐	☐	☐

➢ *Section F: Limitations of MSME Growth*

Please indicate the extent to which each factor limits the growth of your business.

No.	Limitation	Not a Limitation	Minor Limitation	Moderate Limitation	Major Limitation	Very Major Limitation
F1	Lack of access to finance or credit	☐	☐	☐	☐	☐

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F2	High interest rates on loans	☐	☐	☐	☐	☐
F3	Lack of business management skills	☐	☐	☐	☐	☐
F4	High level of competition in the retail sector	☐	☐	☐	☐	☐
F5	Poor infrastructure (roads, electricity, water)	☐	☐	☐	☐	☐
F6	High cost of business registration and licences	☐	☐	☐	☐	☐
F7	Crime and theft affecting the business	☐	☐	☐	☐	☐
F8	Lack of government support or programmes	☐	☐	☐	☐	☐

➢ *Section G: Moderating Factors*

No.	Question	Response	For Official Use
G1	Have you ever applied for a loan or credit for your business?	☐ Yes ☐ No	
G2	If yes, was your loan application approved?	☐ Yes ☐ No ☐ N/A	
G3	What is your main source of business capital?	☐ Personal savings ☐ Family/friends ☐ Bank loan ☐ MFI ☐ CDF/Govt ☐ Other: _____	
G4	Have you ever received formal training in business management?	☐ Yes ☐ No	
G5	Do you feel your current skills allow you to manage your business effectively?	☐ Yes ☐ No	
G6	Is there intense competition among retail businesses in Mumbwa?	☐ Yes ☐ No	
G7	Does competition force you to constantly improve your operations?	☐ Always ☐ Often ☐ Sometimes ☐ Rarely ☐ Never	

➢ *Section H: Growth Strategies Adopted*

Please indicate the extent to which you have adopted the following growth strategies.

No.	Growth Strategy	Not Adopted	Small Extent	Moderate Extent	Large Extent	Fully Adopted

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H1	Market penetration (selling more to existing customers)	☐	☐	☐	☐	☐
H2	Market development (entering new markets or areas)	☐	☐	☐	☐	☐
H3	Product development (introducing new products)	☐	☐	☐	☐	☐
H4	Innovation (new methods of operation)	☐	☐	☐	☐	☐

➢ *Section I: Open-Ended Questions*

No.	Question	Response
I1	In your opinion, what are the three biggest challenges preventing retail MSMEs from growing in Mumbwa District?	1. _____ 2. _____ 3. _____
I2	What suggestions would you give to the government to help retail MSMEs grow in Mumbwa?	
I3	Any other comments about running a retail business in Mumbwa?	_____

➢ *Section J: Business Environment*

No.	Question	Response	For Official Use
J1	What needs to be done to improve the retail business environment for MSMEs in Mumbwa? *(Tick all that apply)*	☐ Better access to loans ☐ Business training programmes ☐ Better roads/infrastructure ☐ Lower registration costs ☐ Government market linkages ☐ Security/crime reduction ☐ Other: _____	
J2	Have you benefited from any government support programmes?	☐ Yes ☐ No	
J3	Are you a member of any business association?	☐ Yes ☐ No	
J4	What is your average monthly sales turnover?	☐ <K5,000 ☐ K5,000–10,000 ☐ K10,001–25,000 ☐ K25,001–50,000 ☐ >K50,000	
J5	Do you keep formal business records?	☐ Yes ☐ No	

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DECLARATION

I, _____ (respondent's name), confirm that I have voluntarily participated in this survey and that the information provided is truthful to the best of my knowledge.

Signature: _____

Date: _____

Thank You for Participating!