AN ASSESSMENT OF FACTORS THAT DETERMINE THE LISTING OF SMALL TO MEDIUM ENTERPRISES ON THE ZIMBABWEAN ALTERNATIVE SECURITY MARKET.

CHITEKUTEKU ZVENDI

R033565X

A dissertation submitted in partial fulfillment of the requirement for the degree of Master of Business Administration

February 2015

Supervisor   Dr. M.Sandada

Graduate School of Management

University of Zimbabwe

DECLARATION

I ChitekutekuZvendi, do hereby declare that this dissertation is the result of my own investigations and research except to the extent indicated in the acknowledgements references and by comments included in the body report and that it has not been submitted in part or full for any other degree to any other University.

………………………

Student Signature

…………………………………

Date

DEDICATION

I dedicate this dissertation to my lovely wife, Janet, my two daughters Zoe and Chloe, my father and late mother for inspiring me to become who Iamtoday. To my hardworking supervisor Dr.SandadaI thank you for your patience and humbleness. I also need to extent my gratitude to my friends for giving me the moral support during hard times, had it not been your encouragement, realization of this project could have been very difficult if not impossible to achieve. I need to thank the almighty God for doing wonders in my life and continuing showing his favors in my life. I thank him for sowing the seed of greatness in me as well as giving me the reasons to continue dreaming, hoping and planning for new projects.

ACKNOWLEDGEMENT

First and for most, I need to express my deep sense of gratitude and indebtedness to Dr.Sandadaas well as the departmental staff for their valuable support throughout the course of this MBA program. I also need to thank my parents for being instrumental in my upbringing. My profound gratitude goes to Dr.Sandada, the person who made this project a success. I need to thank Dr.Sandada for his suggestions, critics and much needed support. I salute you Dr.Sandada.Ido not want to make a great mistake of not thanking my lovely wife for making me to realize this dream. You are a game changer, a star in your making. Zoë and Chloe,I thank you for bringing smile to my face as well as giving me the reasons to dream and continue to press forward.

I need to thank the almighty God, the creator of the universe whose mercy and grace is unlimited.

ABSTRACT

The inadequacy of funding for SMEs has necessitated the need to provide an alternative way of raising funds in the form of an Alternative Securities Market. An ASM enables SMEs to raise funds through the sale of equities. There is therefore need for encouraging SMEs to register on the securities market. The study was motivated by the lack of research on this phenomenon in Zimbabwe, as it sought to investigate the factors that may influence SMEs to register on the ASM. To achieve this objective, the study adopted a quantitative cross-sectional design while a survey was used as the research strategy. Data was collected from a sample size of three hundred and thirty (330) which was drawn from a population of 1876 SMEs.Factor analysis was used to identify the factors which determine the listing of SMEs on the ASM. Five factors emerged and these were factor 1 (information accessibility), factor 2 (regulatory requirements), factor 3 (corporate governance), factor 4 (SMEs support platforms) and factor 5 (SMEs Value Addition and Beneficiation Cluster).The findings from the research study indicated that information accessibility, regulatoryrequirements, corporategovernance, SMEs support platforms and SMEs Value Addition and Beneficiation Cluster are important in determining SMEs listing on the ASM.

Table of Contents

LIST OF TABLES

LIST OF FIGURES

ABREVIATION AND ACRONYMS

ASM   ………………..Alternative Security Market

SMEs   ………………..Small to Medium Enterprises.

SMEVABC …………......Small to Medium Enterprise Value Addition and Beneficiation Cluster.

SMESP…………………Small to Medium Enterprise Support Platforms

CHAPTER 1

INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

The research intended to identify the various factors that determine the listing of small to medium enterprises (SMEs) on the alternative securities market (ASM). The study was mainly driven by the limited sources of finance available for SMEs in Zimbabwe. The SME sector plays a critical role in the economic development of the country as well as its contribution to the gross domestic product (GDP) of the country, yet limited avenues of finance are available to promote SMEs. . The ASM is now widely regarded as an effective alternative of financially supporting SMEs, yet little is known about the factors that can potentially influence SMEs to consider registering on the ASM. It is against this background that the study sought to find out the underlying factors that SMEs could consider when making a decision to register on the ASM.

Chapter 1 outlines the introduction, background to the study, problem statement, research objectives, research questions, hypothesis, justification of the study, scope of the study, dissertation outline as well as chapter summary.

1.2 BACKGROUND OF THE STYDY

The SMEs sector has been affected by the problem of definitional clarity (Simpson et al, 2010:26-27).The difference between informal or micro sized firms and small scale firms has caused a lot of debate in one hand while in the other hand, the difference between small enterprises and medium firms has also caused strong debate within the academic cycles.

The definitional debate has resulted in SMEs in Africa exposed to many labeling, for example micro and small enterprises or MSEs (USAID, 2010), Micro and medium enterprises or MSMEs and also referred to as small, micro and medium enterprises or SMMEs (Gelb, et al, 2009;

Zimbabwe, 2010). However, the standard definition for SMEs has been given as formal sector entities with up to fifty (50) employees and total assets and total annual sales of up to us$3 million (World Bank, 2012).SMEs are businesses in both formal and informal sector employing 1-50 workers (Republic of Kenya,2009).These enterprises encompasses all sectors of employment and provide one of the most prolific source of employment creation, income generation and poverty reduction (Republic of Kenya,2009).

However, In Zimbabwe, SMEs are firms which are legally registered and employ people between six to hundred workers (MSME policy and strategy framework, 2012).The Reserve Bank of Zimbabwe is proposing a review of the current definition to ensure that it includes those which have potential to create sustainable jobs (RBZ,MonetaryPolicy, January 2012).

1.1.1   SMEs and economic contribution.

Globally, SMEs constitute nine out of ten of the world businesses (Daniel Peterhoff, et, al, 2014).They have created sixty percent (60%) of employment worldwide and eighty percent (80%) of employment in the developed world (ACCA, SMEs, a global agenda, 2010).SMEs account for fifty percent of the Global Value Added (GVA) and even bigger percentage in developed countries (Daniel Peterhoff, et, al, 2014).In United States of America, they contribute sixty-seven percent (67%) employment and sixty-one percent (61%) manufacturing output (Global entrepreneurship monitor,2009).In Korea, SMEs are around thirty (30) million which is about ninety-nine (99.9%) percent of the enterprises and provide roughly eighty-eight percent (88,1%) of workforce (Orunma Oteh,2010).

In Africa, SMEs account for ninety percent (90%) of African enterprises and provide fifty percent (50%) of African jobs as well as GDP (African competitiveness Report, 2009).In Nigeria, SMEs account for ninety percent (90%) of formal manufacturing activity and seventy percent (70%) of industrial jobs and provides fifty percent (50%) of the working Labour force (Orunma Oteh,2010).In Morocco, SMEs constitute ninety-three percent (93%) of all industrial firms and provides for thirty-eight percent (38%) of production,33% of investment,30% of exports and 46% of all jobs (Orunma Oteh,2010).

According to the Zimbabwe ministry of Finance, SMEs creates employment which is above sixty percent (60%) of Zimbabwe's workforce and provides around fifty percent (50%) of the country's GDP (National Budget statement, 2013).

The cited examples show how important SMEs are to the economy of any country as a result they are key to economic growth.

1.1.2 Background to SMEs status in Zimbabwe.

It is estimated that seventy percent (70%) of SMEs enterprises are micro and informal, leaving thirty percent (30%) to be small to medium enterprises (Ruzivo Trust, 2012).Seventy-six percent (76%) of informal and sixty seven percent (67%) of small to medium enterprises are owned by women (Ruzivo Trust, 2012).There are several associations which represent them for example Affirmative Action Group (AAG), SEDCO, Indigenous Pressure Group (UIPG) and Zimbabwe cross border trader's association (ZCBTA) with six thousand (6000) registered members of which seventy percent are women (Ruzivo Trust,2012).

SMEs sector is indigenized with ninety-five percent (95%) of informal/micro enterprises, seventy-five percent of small firms and sixty-five of medium enterprises. However, it is argued that five percent (5%) of micro, twenty-five percent of small and thirty-five of medium enterprises are owned by foreigners (Ruzivo Trust, 2012).

1.1.3 Background to the SMEs challenges.

The main difficulties faced by SMEs encompass limited access and cost of finance, inadequate infrastructure, use of old technology, information asymmetry, lack of management skills as well as hostile regulatory environment (Ruzivo Trust,2012).

The global financial crisis has negatively affected SMEs since banks and regulators are now more cautious when dealing with SMEs (International Finance Corporation database, 2011).

In Uganda, access to finance was selected as the most problematic for doing business in the country. This is quite common in many African countries including Nigeria where access to finance was the second most important constraints to doing business (African competitiveness Report, 2010).

SMEs are perceived to have a high risk profile and are thus charged higher rates of interest compared to larger firms (Zimbabwe National Chamber of Commerce, 2010).Total loans that were given Zimbabwe SMEs by various institutions amounted to $164, 4 million out of total loans that stood at $2.8 billion. This was just slightly above five percent (5%) of the total loans (RBZ, May 2012).

1.1.4 Background to economic empowerment for SMEs

Government can come up with various ways to improve operating environment of SMEs as capacity building ,facilitates access to technology, regulations which are not hostile (Ruzivo Trust,2012).The use ASM can bring SMEs together to realize broader economic benefits (Daniel Peterhoff,et,al,2014).

1.2 PROBLEM STATEMENT

Worldwide SMEs face big problems in accessing bank loans because they are perceived to be risk and do not have enough collateral.

Recently there has been a major change in focus towards SMEs because of the critical role they are playing in economic growth. Many governments are crafting policies which enable SMEs to easily access funds. Some countries like South Africa, Ghana, Malawi, Zambia, Egypt and others have established ASM for SMEs in order to raise funds through issuing and selling shares and in majority of these countries it has proved to work. In Zimbabwe, consultations are ongoing on the possibility of establishing an ASM. Once approved, it is hoped that the ASM will provide an option to raise the much needed capital by the SME sector. The policy makers would therefore need to devise mechanisms to encourage SMEs to register on the ASM. However, for SMEs to consider registering with the ASM there could be factors that need to be addressed first. This demonstrates the need to carry out research studies that investigate the factors that SME consider in making a decision to register on the ASM. A review of literature on the ASM in Zimbabwe has revealed that no research has been carried out in Zimbabwe that sought to assess factors influencing SMEs to register on the ASM.The observed phenomenon demonstrates that there is a gap that warranty academic scrutiny. Perhaps, what is more compelling is the fact that, other developing countries such as South Africa, Kenya, Uganda and Egypt have set up ASM and

there are some studies that were carried out to inform policy making about ASM, but in Zimbabwe, nothing has so far been done. It is against this gap that the study seeks to find out the factors which determine the listing of SMEs on the ASM.

1.3 RESEARCH OBJECTIVES

1.3.1 **General objective**

The general objective was to find out the factors which determine the listing of small to medium enterprises on the Alternative Security Market.

1.3.2 Specific objectives.

The specific objectives were to:

i.   Investigate whether information accessibility is a critical factor to determine the listing of SMEs on the ASM.

ii.   Establish if regulatory requirements are a factor to consider when SMEs decide to register on the ASM.

iii. Assess whether corporate governance is an important factor in determining SMEs listing on the ASM.

iv.   Identify if SMEs support platforms are important factor in determining SMEs listing on the ASM.

v.   Evaluate if SMEs consider Value Addition and Beneficiation Cluster when they make a decision to list on the ASM.

vi.   Establish whether there are any significant differences on respondents' opinions regarding the factors which determine SMEs listing on the ASM across gender, current positions and age of the respondents.

1.4 RESEARCH QUESTIONS

1.4.1 General question

What are factors which determine the listing of SMEs on the Alternative Securities Market?

1.4.2 **Specific questions**.

i. How critical is information accessibility in determining SMEs listing on the ASM?
ii. Are regulatory requirements so essential in determining SMEs listing on the ASM?
iii. Is corporate governance important in determining SMEs listing on the ASM?
iv. How important is proper SMEs support platforms in determining SMEs listing on the ASM?
v. Are Value Addition and Beneficiation Cluster so vital in determining SMEs listing on ASM?
vi. Are there any significant differences on respondents' opinions regarding the factors which determine SMEs listing on the ASM across gender, current positions and age?

1.5 HYPOTHESIS

i. Information accessibility is important in determining SMEs listing on the ASM.
ii. Enabling regulatory requirements is very vital in determining SMEs listing on the ASM.
iii. Good corporate governance is essential in determining SMEs listing on the ASM.
iv. Proper SMEs support platforms is key in determining SMEs listing on the ASM.
v. SMEs Value Addition and Beneficiation Cluster is of great importance in determining SMEs listing on the ASM.
vi. There are significant differences on respondents' opinions regarding the factors which determine SMEs listing on the ASM across gender, current positions and Age

1.6 SCOPE/ DELIMITATION OF THE STUDY

The research constituted one thousand eight hundred and seventy-six (1876) SMEs within Harare which are within the SMEs Association of Zimbabwe database.

1.7 SIGNIFICANCE OF THE STUDY

The research provides SMEs entrepreneurs with additional options of getting funding as well as benefits of participating on the Alternative SecuritiesMarket. This study also helps policy makers for example government and Security Commission of Zimbabwe with the necessary advice which they can take into consideration when formulating the policies for the alternative security market.

This research will contribute to the literature on the Alternative Security Market. This is by developing and testing a conceptual framework that shows how information accessibility, regulatory requirements, corporate governance, SMEs Value Addition and Beneficiation Cluster and SMEssupport platforms helps in promoting the listing of SMEs on the Alternative Securities Market.

The study will provide some practical insight to the financial sector on how they can assist SMEs to list on the alternative stock exchange

The research will come up with some conceptual framework to help contribute to the already existing information about Alternative Security Market hence help other researchers who need to carry such research in the future.

1.8 DISSERTATION OUTLINE.

Chapter 2 will present the review of the literature on the five variables of the study namely, information accessibility, regulatory requirements, corporate governance,SMEs support platforms and Value addition and Beneficiation Cluster. Chapter 2 will also carry out literature review on the importance of information accessibility to the Alternative SecuritiesMarket, regulatory requirements and Alternative Securities Market, corporate governance and Alternative SecuritiesMarket; SMEs support platformsand Alternative Securities Market as well as SMEs Value Addition and Beneficiation Cluster and AlternativeSecurities Market.

Chapter 3 will present the research methodology to be used in the study that is the design which will guide the study. Chapter 4 will present the findings of the study as well as interpreting the findings of the study. Chapter 5 provides the presentation of the implications of the study and concluded by recommendations of the study.

1.9 CHAPTER SUMMARY.

The main purpose of this chapter was to present the introduction and background, problem statement, research objectives, research questions, hypothesis, justification of the study, scope of the study, dissertation outline as well as the chapter summary. The next chapter reviewed literature about ASM, SMEs and the factors that determine the registration of SMEs on the Alternative Securities Market as well as the development of the conceptual framework.

CHAPTER 2

INTRODUCTION

2.1 INTRODUCTION

The previous chapter presented the main objectives of the study as well as the research problems, hypotheses and research questions. The Chapter is going to provide a thorough review of literature on the factors which determine the listing of SMEs on the ASM, give definition of key terms, discuss the underpinning theories, modelsas well as a conceptual framework underpinning the study.

2.2 UNDERPINING THEORIES

2.2.1   Capital structure Theory

Lewellen (2013), defined capital structure as the mix between debt and equity.Capital Structure Theory assumes the need for a firm to select the right mix between debt and equity in order to maximize firms value (AswathDamodaran, 2005).AswathDamodaran (2005), cited maximization of shareholders wealth as a specific objective a firm should thrive to achieve. The ultimate goal of a firm is to maximize the firms share price which can be obtained through various means among them is revealing correct and giving timely information to investors for them to make informed decision (AswathDamodaran, 2005).Capital Structure Theory provides clearly the benefits of listing on a security market and what should be done in order for one to increase firms stock price.

Luigi (2013), defined capital structure as transactions done with various suppliers of finance. Capital structure of a company may be determined by two types of capital structure theories which are trade off theory and the pecking order theory (Mwarari, 2013).

2.2.2   Trade off theory

Luigi (2013) defined trade off theory as a point where a firm gets the maximum benefits between debt and equity financing after factoring in the costs and benefits associated with each type of funding. The objective is to get the optimal capital structure after taking into considerations all the associated costs and benefits of each type of financing such as taxes, bankruptcy costs as well as agency costs (Murray and Vidhan, 2007).

Luigi (2013) argues that, entrepreneur has a duty to evaluate the benefits and costs of the decisions he makes regarding the choice of funding in order to reach optimal capital structure. Murray and Vidhan (2007) suggested that optimal capital structure is obtained when the marginal costs and marginal benefits are balanced. Debt financing has the debt tax shield benefit, but one of its drawbacks is its financial distress. Financial distress comes as a result of paying a fixed loan interest regardless of whether the company makes a profit or loss.

Atkeson and Cole (2005), cited agency costs as the major costs associated with equity financing. Agency costs arises as a result of conflicts of interest between the various stakeholders of the company (Jensen and Meckling,1986).The Agency theory which was found by Jensen and Meckling (1976),looks at corporate governance through the agency costs dilemma. According to Jensen and Meckling (1986), the theory assumes that there is a separation between ownership and management.

Factoring in the agency costs, trade off theory can simply means that a firm can decide its capital structure by trading off the tax benefits of debt against the drawbacks of debt financing in the form of financial distress of too much debt and the agency costs of debt against agency costs of equity (Luigi, 2013).

2.2.3   The Perking Order theory

Perking Order theory is where by a firm prefers internal source of funding (retained earnings) to external financing and also prefers debt to equity in the event that external funding is used (Myers, 1984).

Luigi (2013) asserts that, external funding will be opted in the event that internal funding is not sufficient. In the case that external funding (debt and equity) is opted, the choice between the two depends on the need to minimize costs (Luigi,2013).Myers (1984),outlined that, once investors

are given the chance, they will try to discount the company's stock price when the firm issue new equity hence the need to use internal funding.

However, the theory has been criticized over the preference of debt over equity because it assumes that equity cannot be issued if debt is available (Murray and Vidhan, 2007).Murray and Vidhan (2007), critised Pecking Order theory for underestimating the need for equity because it assumes that equity should be issued only at IPO (Initial Public Offer) after which the company should use debt financing. However, they suggested that debt capacity which puts a cap to the maximum amount of debt within the Pecking Order Theory will give rise to the use of equity (Murray and Vidhan, 2007).

Fama and French (2002), puts forward empirical evidence that both Trade off Theory and Perking Order Theory are good predictors of capital structure of the company.

Relating to the Trade-off Theory and Peking Order Theory to the researcher's current study, the study submits that equity Financing is critical for the growth of SMEs.

Equity Financing is a strategy where by one raises capital through selling some stake (known as shares) to some investors (Oteh, 2010). Investors buy some interest in the company because they primarily seek growth opportunities hence their willingness to take risk on a good promising business idea and give the much needed capital (Global equity markets, 2001).The investor provides the much needed finance in exchange for equity or ownership position in the company (Oteh, 2010).

SMEs can also exercise equity financing through listing on the Alternative SecuritiesMarket. It can then be concluded that for SMEs to grow, listing on the Alternative SecuritiesMarket is vital and therefore, they should be encouraged to list.

Drawing from this line of reasoning, the researcher has come up with factors which can be used to determine the listing of SMEs on the Alternative Securities Market which include access to information, regulatory requirements, corporate governance, SMEs support platforms and SMEs value addition and beneficiation cluster.

These factors if well implemented can result in SMEs list on the Alternative Securities Market.

2.3 DEFINITIONS OF KEY TERMS

2.3.1   Alternative Securities Market (ASM)

It is a securities exchange established to cater exclusively for SMEs that are not able to meet the regulatory requirements of the main board in order to raise capital (Zimbabwe National Chamber of Commerce, 2010).

Alternative Investment Market (AIM) was launched in 1995 and is arguably the leading growth markets in the world with companies across range of sectors (London Stock Exchange, 2010). AIM has more than three thousand one hundred (>3100) firms and has managed to raise sixty-seven (67) billion pound. According to London Stock Exchange (2010), the main reasons why most SMEs join AIM is because of the various reasons among them but not limited to, balanced regulatory environment tailored to help and facilitates the needs of SMEs, International Investor base which enhances wide and variety of institutional and wholesaler investors, geographical reach as well as wide sector coverage with companies from forty different industries and from over twenty-eight countries, expert Adviser network which helps SMEs to join AIM and visibility and profile with customers ,suppliers, investors and other key stakeholders.

AIM is unique and is home to one thousand two hundred and fifty-three (1253) firms with total market value of sixty-five billion, twenty percent are incorporated overseas (London Stock Exchange, 2010).It is the only one which has lived two complete economic cycles. in 2008, companies raised more than four billion through further issues in 2009 a year of uncertainty (London Stock Exchange, 2010).

In Nigeria, the Alternative Security Market (ASEM),is the market with specialized board to accommodate small and medium sized companies with high growth potentials seeking to access the capital market (Gold banc Management Associates limited, April 2013).The ASEM was established as a government initiative to facilitate as well as enhancing specific indigenous firms who could not meet all listing requirements to take advantage of the capital market (Gold banc Management Associates limited, April 2013)

Alternative Equity Exchange (Altx) is an alternative public equity exchange for SMEs companies in South Africa operated in parallel with and wholly owned by the Johannesburg Stock Exchange (JSE) securities exchange (Business Report, 5 August 2013).

2.3.2 SMES

SMEs have been defined in various ways, but the most commonly used criterion is the number of employees in the enterprise (Kayanula and Quartey,2000).Definitions in many countries lack uniformity and reflect the relative development of the respective economies (Uganda Bureau of statitistics,2003).

However, the United Nations conference on trade and development (UNCTAD) classifies firms employing 5 to 500 persons as SMEs (Neelamegham,1992 :page 17).The government of Uganda classifies SMEs as business firms employing 5 to 50 people (small scale) and 51 to 500 people (medium scale) (Kasekende and Opondo,2003).

Whatever definition it takes, SMEs are important to socio-economic transformation and it is estimated that SMEs employ 22% of the adult population in developing countries (Daniel and Ngwira, 1993). SMEs play a critical role in building a country's economy as well as maintaining sustainable development (Zimbabwe National Chamber of Commerce, 2010). They are regarded as the hub for innovation because they come up with brilliant ideas, but sometimes these ideas are not developed due to lack of funding (Global entrepreneurship monitor, 2009).

Globally, SMEs face various challenges, among them is accessing equity capital (Zimbabwe National Chamber of Commerce, 2010).Government has initiated numerous policies to help SMEs to access credit, however this did not help them fully because of the inherent problems associated with SMEs .Many government have established while others are proposing to establish an Alternative Securities Market to try and solve the problems (Zimbabwe Chamber of Commerce, 2010).

Alternative Securities Market provide an alternative type of financing for SMEs in order for entrepreneurship and innovation to thrive (Oteh, 2010).Alternative Securities Market (ASM) is regarded as fundamental source of long term finance given that SMEs has been relying upon banks (Oteh,2010).

A financial system which comprises of securities market and banks is healthier as compared to one with only one source (Global Entrepreneurship Monitor, 2009). Alternative Securities Marketsgives a necessary competition to banks hence the SMEs owner is given an option to choice between bank and securities market depending on his needs (Oteh, 2010).

2.4 LITERATURE REVIEW OF THE VARIABLES UNDER STUDY

2.4.1 Access to information

The provision of adequate information to SMEs enhances productivity and market efficiency. Effective utilization of good and quality information has been regarded as critical in obtaining long term as well as sustainable development in both developed and developing countries (Corps, 2005).

According to Mwarari (2013), a research carried out in Kenya on the factors influencing listing of SMEs on the securities market, it was discovered that access to information influences listing of SMEs on the securities market. The study observed that majority of people interviewed proved by seventy percent that access to information influences listing of SMEs on the securities market (Mwarari, 2013).

The study also found that SMEs owners were never educated on the advantages of listing on the Growth Enterprise Market Segment (GEMS) and blamed the Nairobi Stock Exchange for not putting in place enough communications platforms to educate SMEs (Mwarari,2013).However, according to ACCA (Association of Chartered Certified Accountants) (2013), in a case study they carried out on GEMS, they highlighted the following efforts being done by Nairobi Stock Exchange (NSE) to promote GEMS. Firstly, NSE has got in house development team for GEMS who have the responsibility to appoint a meeting with potential issuers of GEMS. Once a company shows interest in listing, they invite the company to choose its Nomads (Nominated advisors) followed by carrying out a through directors induction and training (ACCA, 2012).

According to ACCA (2012), NSE had put in place a development team which works with industry associations such as Kenya Associations of Manufacturers to create awareness. Public awareness campaign has been launched to inform potential investors about GEMS by using billboards and radio advertisement (Nairobi Stock Exchange, 2013).

Mwarari (2013) suggested that there was need to market trading data worldwide through news vending agencies as well as hiring professional employees who can search information and distribute to various investors. This is contrast to the Alternative Investment Market of London which is one of leading growth SMEs securities market in the world. London Stock Exchange (2010) cited the main role of AIM as facilitating SMEs and investor's visibility and credibility. Brunswick Group (2010) argued that, SME which chooses a public relation firm to manage its information is mostly likely to succeed on the IPO than one without.

The London stock exchange (2010) had come up with communications principles which should be followed by SMEs if they need to be successful during their IPO. The principles include creating a credible story, a well-organized firm; choosing right friends, position IPO as a means to end not as an end. The Public Relations firm makes effective communication with the media as well as providing feedback on how your company is perceived (London Stock Exchange, 2010).The Public Relations Firm manages journalists since they may make an SMEs to be perceived in another way, for example journalist may take an investigative role rather than reporting (London Stock Exchange,2010).

London Stock Exchange had come up with communication objectives which the person should focus on during IPO in order to be successful, among them, but not limited to are introducing key management of the firm to stakeholders or investors, clearly outlining competitive advantage of the firm, find friendly media angle (London Stock Exchange,2010).Unlike in Kenya where no communications platforms has been put in place, AIM has put in place communications platforms and thus why it is one of the most successful Alternative Securities Market .Nigeria Stock Exchange has also placed information accessibility as a key component to influence SMEs to list on the alternative securities market. According to Nigeria Stock Exchange (2013), advertising through various channels of communications needs to be done in order to educate SMEs. Nigeria has got a designated Advisory database where company can choose their advisors and sometimes these advisors can approach SMEs and educate them on the importance of listing on the alternative stock Exchange (Nigeria Stock Exchange, 2013).

According to Chen (2006), China had put in place various practices which distribute information and educate SMEs for example the Institute of Technical Information of China (ISTIC) and the Supported and Consultative Centre for SMEs (SUCCESS).

Unlike in most countries like Kenya and, Nigeria where information is paid for, SUCCESS provides information for free, user friendly website, free access to electronic database for free, free seminars.

Nigeria, Ghana, South Africa, Kenya and India proved that even though countries differ in terms of the extent to which information is distributed, the listing stages for the IPO are the same and all countries educate SMEs to follow them. A notable observation is the need for SMEs to have their own Advisors. African countries with Alternative Security Market like South Africa, Kenya,Ghana, and Nigeria concurred that for SMEs to list information accessibility is critical

and should be designed in such a way that it address SMEs concerns such as issues and challenges faced by SMEs in their respective countries. The challenges include accessing long term loans, increased operations costs due to unavailability of public infrastructure, electricity and water as well as inability to raise capital. Emphasis should be put on information accessibility since the way in which information is distributed and communicated can determine the success of SMEs (London Stock Exchange, 2010).

The Nairobi Stock Exchange acknowledged the importance of information accessibility by attributing failure of some SMEs during IPO due to poor communication as well as ill informing investors by Journalist. London Stock Exchange has put great emphasis in place concerning dissemination of information. AIM facilitates company visibility to potential investors through proactive communication with investors and building a focused investor relationship (London Stock Exchange, 2010).Nairobi Stock Exchange ensure Nomads talk to GEMS regulatory team at the right time to discuss the suitability of the SMEs as well as whether the firm will benefit if it list at GEMS (Nairobi Stock Exchange, 2012).Firms which wish to list on AIM are supposed to have a Public Relationship company. The Public Relationship firm ensures clear and effective communication with the media (London Stock Exchange, 2010).

2.4.2   Regulatory requirements

Regulatory requirements are listing rules that outline the guidelines and procedures for pre-listed, listed and those that need to de-list on the bourse (Zimbabwe stock exchange, 2008). They are rules or series of policies designed to strengthen the securities market as well as principles which govern the securities markets where share prices are determined by supply and demand (National market securities, 2005).

According to the Zimbabwe National Chamber of Commerce (2010), regulatory frameworks for securities markets differ from one country to another depending on the country's nature and state of the economy. The aim of the rules is to address the minimum requirements of net worth for any company to list on the securities market, shareholding structure as well as corporate governance (Securities Commission of Zimbabwe, 2010).

The Nigeria Stock Exchange has the most stringent rules for SMEs who need to register on the Alternative Securities Market. According to Nigeria Stock Exchange (2010), a firm will be accepted on Alternative Securities Market if the company has been operating for at least two

years and the company has been audited for those two consecutive years with the latest audited no less than nine months. Firms are supposed to report using International Reporting Standards and companies are supposed to submit a comprehensive   business plan (Nigeria Stock Exchange,2010).However, this is with sharp contrast withAIM of London which has the most flexible regulatory requirements, for example, there is no minimum size for a company which needs to list, no trading record, no minimum capital required and companies are not required to seek shareholders' approval for major transactions (London Stock Exchange,2010).

Nairobi, London, South Africa all agree that profitability is not a prerequisite for a firm to register on the Alternative Securities' Market. However, these countries differ in terms of minimum number of shares which should be in public hands; for example, South Africa requires ten (10) percent, Nigeria fifteen (15) percent, Kenya twenty (20) percent. India requires twenty-five percent and Zimbabwe is proposing thirty percent to be in the hands of the public. The AIM does not prescribe the number of shares to be in public hands (London Stock Exchange, 2010).

The Nairobi Stock Exchange requires one single year and it is not a requirement that the company should be profitable, but the company should show potential growth and have working capital which can sustain it for two years (ACCA, 2012).

All securities commissions require a firm to be listed on the ASM must nominate and maintain designated advisers. According to Nairobi Stock Exchange (2012), Nominated Advisers (Nomads) act as intermediaries between the firm and Nairobi Stock Exchange. Whenever a SMEs shows interest that it needs to be listed, the company is supposed to choose its Nomad and these Nomads are registered with the Nairobi Stock Exchange (ACCA, 2012).

Majority of countries' securities commission require that a firm should have minimum capitalization though they differ in terms of size, for example, Nairobi requires a minimum of ksh10 millions of paid up capital (ACCA,2012) while South Africa require two million rand. According to London Stock Exchange (2010), minimum capitalization is not an entry criterion when listing.

Most countries require minimum number of shareholding if the company is to be listed. South Africa requires a minimum of one hundred shareholders (Business Blue Book, 2008).Nigeria Stock Exchange (2010), requires at least fifty-one (51) shareholders. Japan and Hong Kong also require a minimum number of one hundred shareholders for the company to be listed. However, this is not the same case with the London Stock Exchange which does not prescribe any

minimum number; it is also silent on the size of the organization (London Stock Exchange, 2010).

All securities commissions concurred that a company should be duly registered as a public limited liability in order for it to be listed. Duly registered is the first step a company should do and SMEs owners should be educated and advised on how to formalize their companies (Nigeria Stock Exchange, 2010). SMEs should be registered in order to be listed on the GEMS, but need not to be incorporated in Kenya (ACCA, November 2012).

Nigeria, South Africa,Ghana,India, Kenya and London have shown that regulatory requirements are key predictors in determining listing of SMEs on the Alternative Securities Market.; AIM success is as a result of balanced regulatory framework which is designed to meet the needs of SMEs (London Stock Exchange, 2010).

A table summary of regulatory requirements is shown in Table 1below

TABLE 1 MAJOR REGULATORY REQUIREMENTS

Exchange	Major regulatory requirements
AIM London	I. There is no minimum size of the company. II. No trading record III. No prescribed number of shares to be in public hands IV. Nominated advisers are required all the time V. No minimum capitalization VI. There is no any requirement to seek shareholders' approval for any major transactions.
Mothers Japan	I. Require minimum units of newly issued at a time of listing II. They require minimum number of shareholders III. Market capitalization at time of listing IV. Financial statements V. No restrictions on transfer of stocks VI. To disclose financial results every quarter

GEM Hong Kong	I.	Two year trading history
	II.	Positive cash flow from usual and ordinary operating activities
	III.	Compliance to IAAS
	IV.	Same management continuity throughout the first year of trading
	V.	Minimum capitalization at time of listing
	VI.	Public equity shareholding of at least 100 persons
ELTX South Africa	I.	Minimum share capital
	II.	No profit history
	III.	Shareholder spread of 10%
	IV.	At least 100 shareholders
	V.	Designated advisers
	VI.	Voluntary publication in press
	VII.	Skilled experienced directors
	VIII.	Compliance with companies Act
SME Exchange India	I.	Not required to send a full annual report to their shareholders
	II.	Not to publish their financial results as required in the main board
	III.	Minimum issued share capital
	IV.	Minimum of 50 investors are required at IPO stage
AseM Nigeria	I.	Company should be duly registered as a public limited liability
	II.	Should have operating track record of at least 2 years
	III.	A comprehensive business plan
	IV.	Should have audited accounts for the past two years and the latest should not be less than 9 months
	V.	Public investors are to hold not less than 15% of total issued
	VI.	Shareholders should not be less than 51
	VII.	All companies to be compliant with International Financial Reporting Standards
	VIII.	Designated advisers to be appointed and retained
GEM	I.	Minimum capitalization

Nairobi	II.	Need one single year track record
	III.	Do not need to be profitable
	IV.	Should have sufficient working capital to run a minimum of 24 months
	V.	Only soft copies of financial statements to be send to GEM
	VI.	Should be registered to participate

Source: Zimbabwe National Chamber of Commerce, Draft Paper on Possible establishment of SMEs Secondary Securities Exchange (May 2010).

2.4.3   Corporate governance

It involves rules or principles as well as framework of relationships and process designed to ensure that company managers and directors act in the interest of the company and ultimately shareholders (Australia Regulatory and governance framework, 2001 p: 125). The Zimbabwe National Chamber of Commerce (May 2010), defined Corporate governance as set of process, customs, policies, laws and institutions affecting a way a company is directed, administered or controlled.

Corporate governance guidelines should be within international best practices of good corporate governance which should promote SMEs as well as regional markets (Securities Commission of Zimbabwe, 2010).

There is a general consensus among countries such as Nigeria, Kenya, South Africa, Ghana and United Kingdom in terms of corporate governance guidelines for all the countries with notable differences in terms of enforcement. Some countries seem to follow rule based while some follows principle based.

The London stock Exchange (2010), stipulates clearly that companies on the main market should be abiding to the principles of good corporate governance while SMEs listed on AIM should aspire to the level of the main board. Listed SMEs should follow the Quoted Companies Alliance guidelines which is similar to, but not prescriptive as the United Kingdom Corporate Governance Code (London Stock Exchange, 2010).

The Securities Commission of Zimbabwe seeks to set minimum standards of corporate governance with the directors of every listed SME voluntarily promising to commit themselves to adopt good corporate governance practices (Zimbabwe Chamber of Commerce, 2010). Where

directors are not fully compliant, the directors should indicate steps the company will take to adhere to full compliance (Zimbabwe National Chamber of Commerce, May 2010).In such a scenario, the country is said to be following principle based because it's comply or explain the reasons why failing to comply. London stock Exchange (2010) stated that no litigation is taken against a company for failing to comply with best practices of corporate governance. However, a company should meet the minimum requirements and indicate how it needs to comply (London Stock Exchange, 2010).

However, this seems to be a different ball game in the case of Nairobi, Nigeria and South Africa. According to Nairobi Stock Exchange (November 2012), SMEs have to nominate and maintain Nomads who are registered with Nairobi Stock Exchange. Nomads have to advice SMEs on good corporate governance and are held accountable for their client's failure to adhere to good corporate governance (ACCA, 2012).In Kenya, Nomads are the guarantors of good corporate governance and are Nairobi Stock Exchange's first line of defense (ACCA ,2012).Failure by Nomads to monitor their clients result in losing their license as well as prosecution (Nairobi Stock Exchange,2012) while in Johannesburg Stock Exchange ,SMEs listed on the Alternative Stock Exchange are supposed to adhere to the King's Report 1 and 11 failure which the company can be delisted (Business Blue Book ,2008).

Even though countries differ in terms of enforcement, most countries have relaxed corporate governance requirements. Corporate governance rules have been relaxed not with the intention to relax governance requirements, but rather to come up and replace those set of rules with more friendly and appropriate one (Nairobi Stock Exchange, 2012).

The softening of corporate governance differs from one country to another, a reflection of the nature and type of the country's economy and this was done to attract SMEs on the securities' market.

London Stock Exchange (2010), requires board composition to be comprised of at least two independent non executives but, South Africa department of Trade and Industry (2013), requires all SMEs on the ALTX to follow all the provisions of the listing requirements stipulated in King's Report. It also emphasis the need to have an audit committee which should be comprised of one non-executive with nominated adviser as minimum, with the most preferably scenario being the audit committee being comprised of non-executive members (Department of Trade and Industry, 2013).The London Stock Exchange requires companies to establish necessary boards

for example audit committee, remuneration committee (London Stock Exchange,2010).The London stock Exchange is not prescriptive on actual composition but only say there is need to have them.

Reporting is another area of notable difference within various countries for example in Nigeria, SMEs on the Alternative Securities Market are supposed to submit audited accounts quarterly, semi as well as annual (Nigeria Stock Exchange,2010).All SMEs listed on the Alternative Securities Market are supposed to comply to International Financial Reporting Standards (Nigeria Stock Exchange,2010).However, India requires that SMEs submit their financials half yearly instead of quarterly, there is only need of sending the abridged version of the SMEs to investors instead of the annual report and the SMEs are only required to keep a soft copy of their annual report on their website (BSE Bronchure,2013).SMEs listed on GEMS would not compromise on disclosure requirements instead SMEs are required to comply to International Financial Standards and should submit audited annual reports though interim can be presented as management accounts (ACCA, 2012).SMEs listed are allowed to send soft copies of their annual report to GEMS (Nairobi Stock Exchange,2012).

Though many countries have relaxed corporate governance regulations for SMEs, no other country except Kenya has come up with clear policies to curb risks which are brought by corporate governance relaxation. According to Ng'inja (2012), corporate governance relaxation can result in shareholders offloading their stake to the public who are not aware of the company performance, hence the Nairobi Stock Exchange had taken measure to curb such risk (ACCA,2012).Nairobi Stock Exchange, suggested that shareholders of SMEs listed are locked on for two years and their boards , senior management must prove that they are competent , directors should be free from criminal record and there should be directors training for six months (ACCA, 2012).

2.4.4   SMEs support platforms.

In some countries securities main boards such as London stock exchange, Nairobi Stock Exchange are facilitating SMEs capital funding through various ways such as setting up Initial Public Offer (IPO) taskforce, financial measures relief and putting up centralized SMEs rating database and SMEs (Peterhof,2014).

The London Stock Exchange (2010) claims that AIM success story is underpinned by various support platforms such as Adviser networks as well as investor relationship. The reasons why many companies needs to list on AIM is because it has international investor base, a platform where companies seeking to raise capital during IPO can get support, it has well networked geographical reach sector diversity for example, and it has 40 sectors and has 520 international companies incorporated outside United Kingdom. The Alternative Investment Market is supported by Adviser Network which comprises of experienced Nomads, brokers, lawyers and investing relations companies (London Stock Exchange, 2010).

Nigeria has also put in place SMEs support platforms such as Independent Equity Research Exchange (IERE) which provides independent equity research reports on all listed SMEs to the investing public (Nigeria Stock Exchange, 2010).Nigeria Stock Exchange in partnership with companies provides institutional services such as leadership development, succession planning as well as fundamental of business management (Nigeria Stock Exchange, 2010).

All security commissions of different countries put emphasis on the need to have well-articulated SMEs support platforms if IPO have to be successful. The London Stock Exchange educate SMEs on the principles of successful communication strategies for SMEs which need to list (London Stock Exchange, 2010).SMEs spokesperson are trained and coached on how to answer questions during IPO. According to Nairobi Stock Exchange, directors of SMEs companies are given free training for period close to six months as well as keeping in house business development team which helps SMEs now and again (ACCA, 2012).

There is generally accepted procedure on the IPO parties. According to the Nigeria Stock Exchange (2010), parties to IPO include a nominated adviser, issuing house, reporting accountant, solicitors and other services providers such as registrar.

The Nairobi Stock Exchange stock Exchange (2012), keeps Nomads database and issue them licenses. Nomads provides various services such as ensuring that companies meet ASEM rules as well as coordinating IPO (Nigeria Stock Exchange,2010).Track record is not an entry criteria to AIM. However, Nomads have the responsibility to ensure that SMEs have necessary track record and has the ability to succeed at IPO (London Stock Exchange,2010).Ng'inja (2012),asserted the need for Nominated Advisers act as the guarantors of good corporate governance and first line of defense of Nairobi Stock Exchange, hence they have responsibility to monitor their clients

since they will be held accountable for any malpractices (ACCA,2012).In such scenario, Nomads will be carrying out SMEs rating on behalf of the alternative security market.

Terms and conditions such as support platforms influence listing of SMEs on capital markets. Seventy –five percent agreed that AIM support platforms influences the listing of SMEs on the capital markets (Mwarari, 2013).

2.4.5   SMEs Value Addition and Beneficiation Cluster (SMEVABC)

The idea of SMEs Value Addition and Beneficiation Cluster was first advocated by Friedman and Weaver (1979) and Stohr and Taylor (1979) in collaboration with others who did their research in Italy (Ngugi and Bwisa, 2013).Their focus was centered on SMEs industrial clusters with particular interest in sectors such as shoes and leather in the 1970s (Dinis, 2006; Camereron, 2008; Piore and Sabel 1986).

Natsuda (2011) argues that most studies were centered on geographic proximity of firms, specialization of SMEs, relationship among firms, socio infrastructure which enhances trust and integrity. Nduna and Bwisa (2013) argued that in Kenya they are called One Village One Product (OVOP) which is a community centered and demand driven. The concept was first developed by Oita perfections in Japan in the 1970s with the aim of adding value to locally available resources (Ngugi and Bwisa, 2013).Clusters should produce goods which are of high quality standards (Kurokawa,2008).The cluster should also produce competitive product in order to increase such as revenues (Kurokawa,2008).

SMEs Value Additions and Beneficiation Clusters form a key component of Kenya manufacturing sector (Ngugi and Bwisa, 2013). The focus of these SMEs clusters are centered on SMEs which specializes in value addition. These clusters can result in group owned enterprises and they constitute a significant percentage of the manufacturing sector (Ngugi and Bwisa, 2013).

OVOP can be used as a vehicle to promote creativity and competition in SMEs sector by embracing Value addition and incorporating all policies which encourages SMEs development (Ngugi and Bwisa, 2013).

Angola and Wakabayashi (2000) suggested that clusters can easily absorb technology. According to Porter (2000), Value Addition and Beneficiation can be embraced through the use of technology hence the competitive advantage of the firm can be formed by creating excellence.

SMEs Value Addition and Beneficiation Cluster can result in the production of quality products which are competitive (Ngugi and Bwisa, 2013). The research also concluded that SMEs with certification received good comment from customers and these SMEs were involved in value addition (Ngugi and Bwisa, 2013).

Though there is no literature found which links the influence of SMEs Value Addition and Beneficiation Clusters to Securities market. However, an evaluation and analysis of the available literature shows that clustered SMEs have much influence on the listing of SMEs on the alternative Securities Market.

Ngugi and Bwisa (2013) revealed that, clustered SMEs tend to produce competitive products which can be sold regionally and even globally. According to Ngugi and Bwisa (2013), certified SMEs increased their sales and visibility and they were able to increase their customer base.

SMEs in clusters can end up forming group enterprises as a result of the existence of SMEs Business Mutual Guarantee Networks (Ngugi and Bwisa, 2013).Business Mutual Guarantee Networks for SMEs aims at enabling participants to access credit by granting a collective guarantee for loans issued to their members (Daniel, 2014).Members take part directly or indirectly in the formation of the equity and the management of the scheme (Daniel, 2014).

According to Nigeria Stock Exchange (2010),SMEs should fulfill certain requirements before they can be accepted on the Alternative Securities Market and such requirements include but not limited to track records, business plan, audited accounts. SMEs in clusters are most likely to meet these requirements since they can pull their resources together to form a group enterprise which can compete at the securities market

2.5 THE RELATIONSHIP BETWEEN THE INDEPENDENT AND DEPENDENT VARIABLES.

A variable can be defined as an object, period, time or any other type which one tries to measure (Nice Kids Zone, 2013).There are two types of variables namely, independent and dependent variable.

Nice and Kids Zone (2013), defined an independent variable as an object which is not changed by other variables you are trying to measure. In this research, Alternative SecuritiesMarket is the independent variable. The researcher seeks to establish the factors which determine the listing of SMEs on the Alternative Securities Market.The dependent variables are information

accessibility, regulatory requirements, corporate governance, SMEs support platforms and SMEs Value Addition and Beneficiation cluster.

A dependent variable is one which can be manipulated and it depends on other factors (Nice Kids Zone, 2013). The researcher seeks to establish whether information accessibility, regulatory requirements, corporate governance, SMEs support platforms and SMEs Value Addition and Beneficiation cluster are important factors to consider when SMEs need to list on the Alternative Securities Market. He also needs to establish whether there are any significant differences on respondents' opinions regarding the factors which determine SMEs listing on the ASM across gender, current positions and ageas well as what can be done and the extent to which these dependent variables can be manipulated in order to encourage SMEs to list on the Alternative Securities Market.

2.5.1 Information accessibility and its impact on SMEs ability to register on alternative securities market

Nigeria, South Africa, Ghana, Kenya and India and other countries studied which agreed that information accessibility is vital in determining the listing of SMEs on the Alternative Securities Market. Mwarari (2013) asserted that information accessibility is a critical factor in determining SMEs listingon the Alternative Securities Market because seventy percent of the respondents interviewed to find out whether information accessibility is a critical factor when listing strongly agreed that it is important. According to London Stock Exchange (2010), SMEs which needs to list on AIM should choose a Public Relations Firm (PRF) because it is key to the success of the firm on the IPO.The PRF Firms coaches the company's spokesperson how to sell the company on IPO, manages company's image, select journalist to work with as well as act as a mouth piece to investors.

Almost every securities market has Nomads who advices SMEs .Nairobi stock Exchange have Nomads who advice SMEs, Nairobi Stock Exchange has also in house development team for GEMS with the sole responsibility of meeting potential issuers explaining to them about GEMS as well as the benefits of listing on GEMS (ACCA,2012).

Nigeria Stock Exchange has established Corporate Access Value Add which facilitates provision of detailed information to public investors.

2.5.2 Regulatory Requirement and the impact on SMEs registration on Alternative Securities Market

There is a general consensus among countries that regulatory requirements are a factor to consider when SMEs decide to list on the Alternative Securities Market. The success of AIM is because of the balanced regulatory framework (London Stock Exchange, 2010). Flexibility of regulations requirements has led to many SMEs list on the Alternative Securities Market (Nigeria Stock Exchange, 2010).

If regulatory requirements are not tailor made to suit the requirements of SMEs to list on GEMS, they can act as obstacles to firms in rapidly growing mining sector which are still at exploration stage but have potential to succeed (ACCA, 2012).

Every country which has an Alternative Securities Market has relaxed its regulatory requirements in order to attract SMEs to list. Firms are automatically disqualified if the same rules on the Nairobi Stock Exchange are applied to GEMS (ACCA, 2012).

2.5.3 Corporate Governance and the impact on SMEs registration on Alternative Securities Market

Corporate governance is an important factor in determining listing of SMEs on GEMS, it was discovered that eight-five percent of the respondent believed that corporate governance is key factor in determining listing of SMEs on GEMS (Marwari, 2013). According to London Stock Exchange, most of the corporate governance requirements are not prescriptive; however they expect that Designated Advisers should explain to their clients on the importance of good governance. The Zimbabwe National Chamber of Commerce has proposed that, it will follow a comply or explain approach as an incentive to encourage SMEs to list (Zimbabwe National Chamber of Commerce, 2010).The relaxation of corporate governance is not aimed at creating conflicts with Investors, but to replace them with more appropriate controls which encourage SMEs to list on GEMS (Nairobi Stock Exchange, 2012).

2.5.4 SMEs Support Platforms and the impact of SME registering with the ASM.

There is a general consensus among all countries that SMEs support platforms are important factor in determining listing of SMEs on the Alternative Securities Market. According to London Stock Exchange (2010), SMEs support platforms underpinned the success of AIM. Most countries have put in place SMEs support platforms in order to help SMEs to list on the Alternative Securities Market. Investor Relationship and Nomads are found in every country in order to help and advice SMEs to list on their respective Alternative Securities Market.

2.5.5 SMEs Value Addition and Beneficiation Cluster (SMEABC) versus Alternative Securities Market

Though there is no findings obtained from literature which links the importance of SMEs Value Addition and Beneficiation Cluster on the listing of SMEs on the Alternative Securities Market .However, literature reviewed shows that SMEs Value Addition and Beneficiation cluster is a critical factor for the listing of SMEs on the Alternative Securities Market

2.6 CONCEPTUAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT.

In order to empirically test the importance of information accessibility, regulatory requirements, corporate governance, SMEs support platforms and SMEs Value Addition and Beneficiation Cluster, a conceptualized framework is drawn and developed based on the reviewed literature of the various variables. The conceptual model is grounded in the Trade Off Theory and The Perking Order Theory which give a solid foundation to the current study .In this current study, Information accessibility, regulatory requirement, corporate governance,SMEs support platforms and SMEs Value Addition and Beneficiation are factors while registration with the Alternative Securities Market is the outcome variable. The Diagram below shows the conceptualized research model.
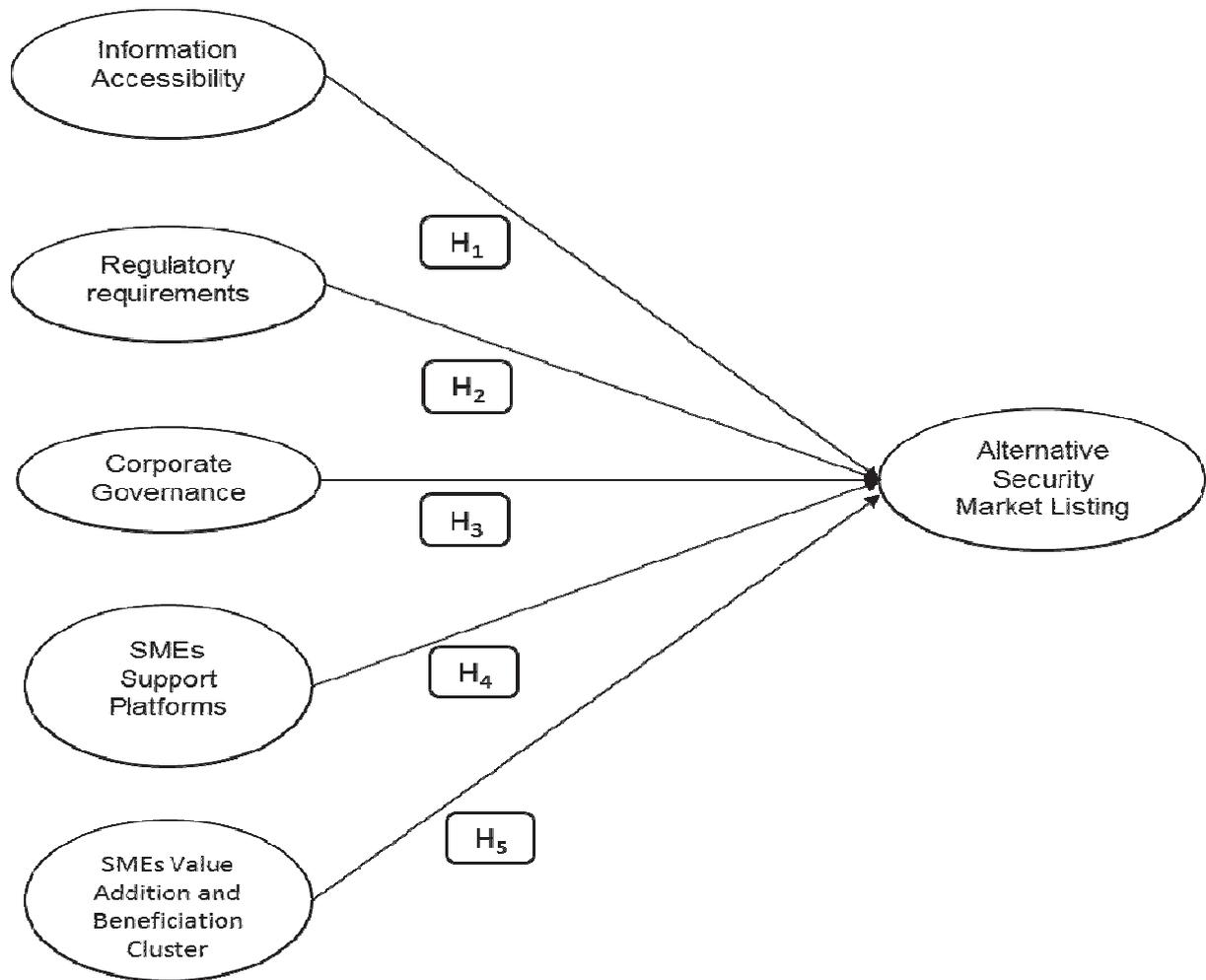
2.6.1 CHAPTER SUMMARY

The main purpose of this chapter was to present the literature review of the study. It highlighted the introduction, literature review of various variables, relationship among variables and conceptual framework. The next chapter presents the methodology that was adopted for the study.

CHAPTER 3

INTRODUCTION

3.1 INTRODUCTION

The previous chapter presented literature review on the factors (Information accessibility, corporate governance, SMEs support platforms, SMEs Value Addition and Beneficiation Cluster) which determines the listing of SMEs on the Alternative Securities Market. Information accessibility, corporate governance, SMEs support platforms, SMEs Value Addition and Beneficiation Cluster were then used to come up with a conceptual framework which can be used to determine the importance of these factors on the listing of SMEs on the Alternative Securities Market. This chapter gives an overview of the research methodology. Most of the discussion is centered on research design, population sampling, data collection, data analysis, ethical consideration and limitations faced. Every research is underpinned by some philosophical assumptions. The philosophical assumptions tries to answer the question, what constitutes a good research method hence it is key and of paramount importance for one to be aware of these philosophical assumptions.

3.2 RESEARCH DESIGN

For purpose of this study, the researcher adopted quantitative cross-sectional design. Penny, Lavrakas and Krosnick, 1993), defined cross-sectional design as the collection of data at a single point in time from a sample drawn from a specified population. Cross-sectional design was adopted because the researcher collected data about information accessibility, corporate governance, regulatory requirements, SMEs support platforms, SMEs Value Addition and Beneficiation Cluster one time only from SMEs which aims on listing on the Alternative Securities Market (Bryman and Bell, 2007).Another reason why cross-sectional survey was used is because it offered an opportunity to find the factors which determine SMEs listing, (information accessibility, corporate governance, SMEs support platforms, SMEs Value Addition and Beneficiation Cluster) (Penny, Lavrakas and Krosnick, 1993).

The quantitative methods research design was used to determine the role of information accessibility, corporate governance, SMEs support platforms, regulatory requirements as well as the SMEs Value Addition and Beneficiation Cluster on the listing of SMEs on the Alternative Securities Market .This study adopted positivism paradigm because it is consistent with quantitative methodology (Christensen,2008).The adoption of positivism enabled the researcher to systematically and scientifically collect, measure and quantify data about the importance of information accessibility, regulatory requirements, corporate governance, SMEs support platforms as well as SMEs Value Addition and Beneficiation Cluster on the listing of SMEs on the Alternative Securities Market. The researcher first formulated hypothesis, collection of numerical data in order to test the hypothesis and finally the researcher quantified data in order to establish whether the five factors determine the listing of SMEs on the Alternative Securities Market. The stages concentrated on the confirmatory stages of research hence the need to adopt quantitative methodology.

3.2.1   Research Philosophy/Paradigm

Research philosophy refers to beliefs about the way, in which data about a phenomenon should be gathered, analyzed and used (Rajasekar*et al*, 2013).Saunders *et al* (2003) cited that positivism and interpretivism are the two main methods of research philosophies.

3.2.2   Interpretivisim/Phenomenology

Interpretivism is associated with inductive reasoning where one draws conclusion about something on the balance of probability that a statement is true (Johnson and Christensen, 2008).It is associated with qualitative approaches and knowledge is contextual hence it cannot be generalized (MacNabb, 2002)

3.2.3   Positivism

Henning *et al.* (2004) argued that positivism assumes that knowledge is objective and quantifiable that is reality can be objectively given and can be measurable. It is associated with deductive reasoning where one draws conclusions about something on the basis of prior knowledge known to be true (Johnson and Christensen,2008).Positivist paradigm should be able to establish the key roles between set of variables and should apply quantitative methodology for easy comparison of data (Saunders et al,2003).

The study adopted positivist approach so that the researcher can establish the importance of factors which determine the listing of SMEs on the ASM namely information accessibility, regulatory requirements, corporate governance, SMEs support platforms as well as SMEs Value Addition and Beneficiation Cluster which determine the listing of SMEs on the Alternative Securities Market. Robson (2002) cited that quantitative data is repeatable and can be replicated that is, it should be easy to re-collect same data by another researcher in another place.

3.2.4 Research Strategy

Bryman (2008),identified research strategies as the way in which a research is conducted .Research strategies include experiment, survey, case study, action research ,grounded theory ,ethnography ,archival research, cross sectional studies and longitudinal studies (Collis and Hussey,2009).From the various strategies mentioned above, this study adopted survey research strategy as the most suitable strategy for research. The researcher would briefly explain survey research strategy appropriateness for this research as well as the justification for selecting it as compared to other research strategies.

3.2.5 Survey

The researcher used survey research strategy because survey made it easy to generalize the findings from the sample of SMEs to the entire SMEs within Zimbabwe which need to list on the Alternative Securities Market. The researcher neither had control over the respondents nor had the ability to manipulate the environment understudy hence the need to use Survey strategy. It was difficult if not practically impossible to use experiment research strategy in such research because it entailed bringing respondents to the laboratory for experiment hence the need to use survey which is cheap and easy when data is to be collected from large sample where one does not have control of respondents. Case study have problem with generalization results to the entire population if used in such type of research which would require the generalization of results to the entire SMEs population within Zimbabwe. These reasons put it clear beyond doubt that survey strategy was deemed appropriate by the researcher.

3.2.6   Research Methodology

For purpose of this study, quantitative methodology was adopted mainly due to the nature of the study. Quantitative methodology enabled the researcher to measure as well as to quantify data objectively about the factors which determine the listing of SMEs on the Alternative Securities Market. As indicated in chapter 1 about the research objectives ,positivism paradigm was deemed to be suitable since it lead to a scientific ,systematic approach to research and as such results itself to the use of quantitative methodology (Johnson and Christensen,2008).

3.2.7   Research Method

Survey research method was preferred for this study. Survey written down is questionnaire while no written is interview (Penny, Lavrakas and Krosnick, 1993). The researcher used administered questionnaires to collect information by using e-mail and physical distribution of questionnaires in order to increase high response rate. The questionnaire comprised more of closed ended questions as compared to open ended so as to be consistent with quantitative research methodology.

3.3 POPULATION SAMPLING TECHNIQUES

3.3.1   Population

Population refers to the number of units or elements understudy (Burns and Groove, 2003:43).The study population comprised of all SMEs registered with the SMEs Association of Zimbabwe within Harare.

3.3.2   Sample Size Determination

Burns and Grove (2003) argued that, sample is units or elements drawn from population in order to participate in the research study. The most important thing in coming up with sample size is to establish marginal of error (Sathian, Sharan, Abhilash and Rajesh, 2010).The researcher has fixed the marginal of error at plus or minus five (5%) percent. Sathian, Sharan, Abhilash and Rajesh (2010) mentioned the need to fix marginal of error before testing hypothesis, estimation

and sample size calculation. The population of 1876 where the sample size was drawn was taken from the SMEs Association of Zimbabwe Database within Harare.

$$n = \frac{N}{1 + N(e)2}$$

Where n is sample size population is marginal of error.

$$n = \frac{1876}{1 + 1876(0.05)2}$$

n =329, 7   which is rounded to   330

Sample per sector was calculated as the proportional fraction as follows:

Sector sample = $\frac{\text{sector total population}}{\text{Total population}}$ x   total sample size

Agriculture sample = $\frac{58}{1876}$ x   330   =10.202.

NB: All answers were rounded to the nearest 10 and this has resulted in the overall sample size to increase by 2.

TABLE 2 SMES STRATA

Strata	Population	Sample Size	Pilot Study
Agriculture	58	10	1
Manufacturing	49	9	1
Retailer	107	19	1
Mining ,Engin, Constr,Build	552	97	1
Finance,services,advert,other	648	114	3
IT and Communication	216	38	1
Tourism and Arts and Crafts	34	6	1
Entertainment & Health Care	212	39	1

Total	1876	332	10

 Source: SMEs Association of Zimbabwe (www.smeassociation.co.zw,September 2014).

3.3.3   Sampling Methods

Penny, Lavrakas and Krosnick (1993) identified two methods of sampling methods which are probability and non-probability.

3.3.4   Non- Probability Sampling

It is a selection criteria where units are not randomly selected from the population (Penny, Lavrakas and Krosnick, 1993).Convenience sampling, quota sampling and purpose sampling are the major types of non-probability sampling (Penny, Lavrakas and Krosnick, 1993).

3.3.5   Probability Sampling

Penny, Lavrakas and Krosnick (1993) mentioned it as a selection procedure where units are randomly selected from the sample and each element has a known, non-zero chance of being selected. Types of probability sampling include cluster, random, stratified and systematic sampling techniques (Cooper and Schindler, 2003).Simple random is where by each element has equal chance of being selected and stratified is where sample frame is divided into strata and sample process is applied to each strata (Brown and Downling, 1998).

3.3.6   Procedure

Stratified random sampling was used for this study. The SMEs are grouped into eight (8) different industry sectors by the SMEs Association of Zimbabwe and the researcher had adopted them as eight (8) strata. The researcher used random sampling in selecting respondents in each stratum. Questionnaires were emailed to respondents with instructions of how to return completed surveys. The researcher decided to use closed –ended questions with a rating scale of five (5) points running from positive to negative with neutral at the middle (Penny, Lavrakas and Krosnick, 1993). However, respondents were given room at the end of each section to give their

independent opinions. Five points scale was adopted in order to increase reliability and validity (Matell and Jacoby, 1971).To ensure quality data collection, scales were labeled with words.

3.3.7   Pilot Study

The researcher pilot tested self-administered questionnaires on ten (10) trial participants drawn from the eight different industry sectors. The pilot study was done before the actual data collection on the factorss that determine listing of SMEs on the Alternative Securities Market was done. The pilot study helped the researcher to adjust some anomalies which rose regarding to ambiguous questions and costs. The budget was reviewed upwards while some questions were dropped.

3.4 SOURCES OF DATA

The study used primary source of data through the use of administered questionnaire .Primary and secondary data are the two sources of data (Concordia Library, 2010).Primary data, is data collected and the document is generated at time of research.

3.5 RESEARCH INSTRUMENT

The researcher collected data on whether corporate governance, regulatory requirements ,SMEs support platforms, SMEs Value Addition and Beneficiation Cluster and information accessibility influences the listing of SMEs on the Alternative Securities Market using a self-administered questionnaire. The researcher used closed –ended questions with rating scale of five (5) points running from positive to negative. The researcher motivated participants by categorically arrange questions, that is, controversial and high sensitive questions were avoided. The questionnaire was correctly worded so as to avoid ambiguous questions.

3.6 DATA ANALYSIS TECHNIQUE

Greener (2008), suggests that quantitative analysis requires researchers to label and code all the data appropriately such that similarities and differences can be identified. Cooper and Emory

(1995) mentioned that data analysis is the breaking down of complex data collected using statistical method into manageable size as well as developing frequencies. The researcher adopted factor analyses method to identify the factors which determine the listing of SMEs on the ASM.

3.7 RESEACH LIMITATIONS

The researcher used cross-sectional survey strategy, hence there was no enough time to determine whether information accessibility, regulatory requirements, corporate governance, SMEs support platforms are important for the listing of SMEs on the Alternative Securities Market because of the research due date on the 27th of February 2015.The research study heavily depended on accessing organization which the researcher had no control hence the researcher was denied entry and in some cases some questionnaires were not fully completed.

3.8 RESEARCH ETHICS AND DATA CREDIBILTY

The researcher ensured that the research was carried ethically and the findings were credible by putting the following measures explained below.

3.8.1 Research Ethics

Cooper and Schindler (2008:34), defines ethics as norms, values, standards of behavior that guide decisions about how we relate with others. The researcher put in place measures which ensure that no one was harmed. The questionnaire sent to respondents reassured them that the information would keep private and confidential. Respondents were asked their consent as well as educated them why the research was being carried out.

3.8.2 Validity and Reliability

Scientific method, with rigorous control of variables seeks to produce findings which are valid and reliable (Blaxter, 1996).For purpose of this study, researcher ensured content validity by consulting subject experts to check the contents of the instrument and by carrying out a pilot

study. This was done to ensure that all questions were correctly formulated. To internal reliability of the scale, a benchmark of 0.6 as advised by Yin (2011) was used.

3.9 CHAPTER SUMMARY

The chapter outlined the collection of data and how it was analyzed in order to test the hypotheses. Survey was done across the eight industry sectors. The next chapter focuses on data analysis, findings and discussion.

CHAPTER 4

FINDINGS AND DISCUSSION

4.1 INTRODUCTION

The previous chapter discussed about the research methodology applied to carry out the study. A detailed description about the sample and sampling method was outlined in the last chapter. Steps and procedures used to collect data and how the data was analyzed were also highlighted. An account about the procedures on how validity and reliability were verified was fully described in the previous chapter.

This chapter presented, interpreted, commented and gave recommendations about the findings of the study. The researcher used descriptive statistics, test independence and factor analysis to analyses data and the results were presented in the following manner: response rate, descriptive statistics and factor analysis.

4.2 DESCRIPTIVE ANALYSIS

This included response rate, gender, age, positions held, and qualifications, number of employees, and type of business and organization years in business.

4.2.1 Response rate
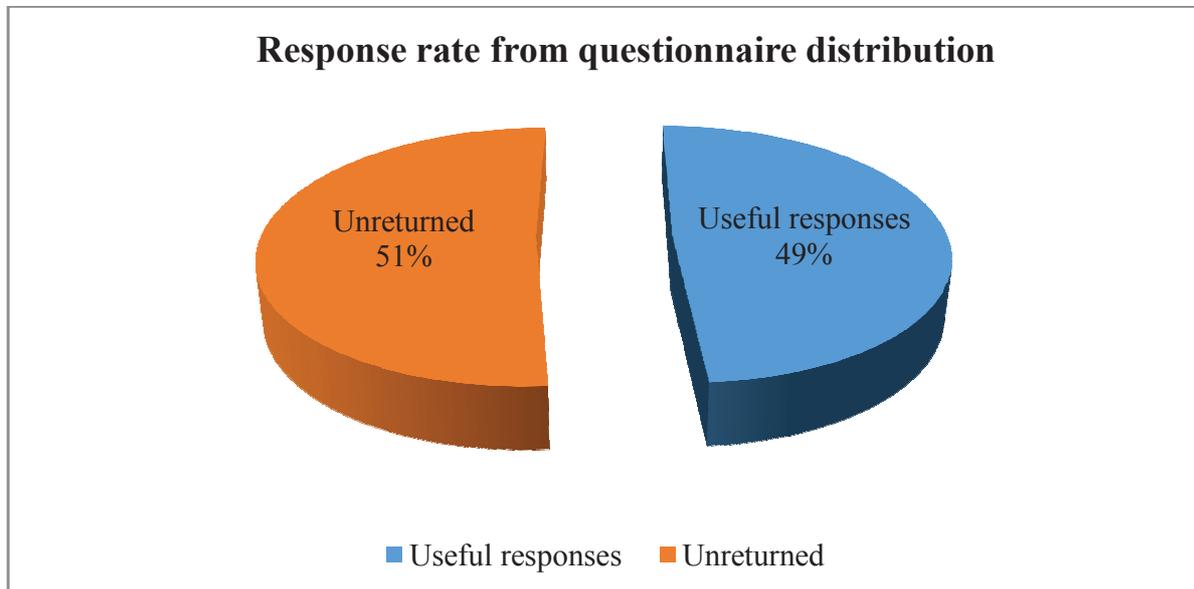
FIGURE 2 RESPONSE RATE FROM QUESTIONNAIRE DISTRIBUTION

Out of a sample of three hundred and thirty (330) respondents, a total of (n=161, yielding 49%) response rate was achieved. This was necessitated by the use of a well-established SMEs Association of Zimbabwe database which has one thousand eight hundred and seventy-six SMEs. The researcher used emails to send the questionnaire as well as physical visitation to SMEs physical sites.

4.2.2 Gender
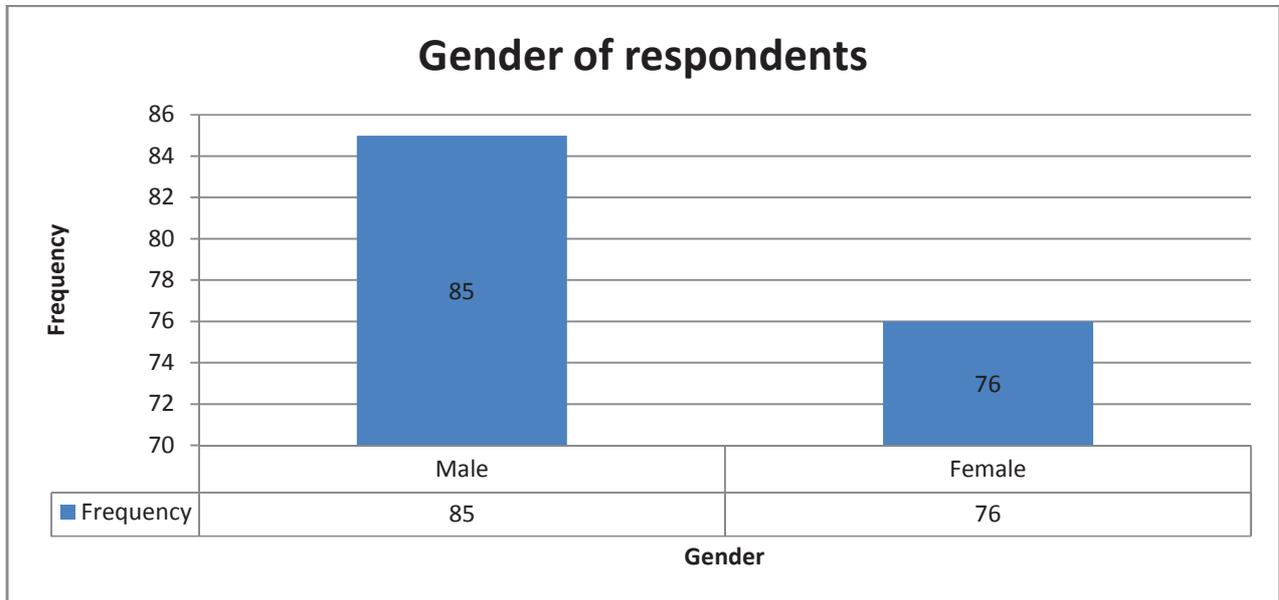
Gender of respondents

Figure 3 illustrates that out of one hundred and sixty-one (161) respondents, eighty-five (85, 52, 29%) were males while female were seventy-six (76, 47, 21%).Statistics indicate that there is five percent gap between male and female participation in the workforce among SMEs sector in Zimbabwe. These results are consistent with a study done in South Africa by Herrington, Kew and Kew (2010) who revealed that entrepreneurial activity of men is 1.2 times higher than that of female entrepreneur.

4.2.3 Responses on the Age of Respondents

The information shown in table 3 below shows that thirty percent (30%) of respondents are within age range of 36-45 years Twenty-nine percent (29%) are within 26-35 years, nine percent (9%) 20-25 years, eighteen percent 46-55 years while nine percent (9%) of the respondent are 56 and above. Evidence from the table proved that majority people in the SMEs sector are concentrated between 26 to 55 years. The results are in agreement with the findings of Prince (2006) who concluded that, two natural age peak, late twenties and mid-forties are correlated to entrepreneurship .Muijanck, Vroonhof and Zoetmer (2003) study further supports the results by concluding that optimum age of entrepreneurs is 25-35 years.

TABLE 3 AGE CATEGORIES OF RESPONDENTS

Age (Years)	Frequency	Percentage
20-25	14	9%
26-35	47	29%
36-45	49	30%
46-55	29	18%
56 and above	14	9%
Non Response	8	5%
Total	**161**	**100%**

4.2.4 Responses on the current position of Respondents

The positions of respondents are depicted in Table 4 below

TABLE 4 POSITIONS OF RESPONDENTS

Current Position	Frequency	Percentage
Owner	18	11%
Chief Executive Officer	19	12%
Senior manager	44	27%
Junior manager	49	30%
Officer	22	14%
Trainee	9	6%
Total	**161**	**77%**

The Table portrays the different positions held by the respondents who participated in determining the willingness of their companies to register on the Alternative Securities Market give certain conditions are met. Thirty percent (30%) of questionnaires were attended by junior managers, followed by senior managers (n=44, 27%), fourteen percent (14%) and six percent (11%) were officers and trainees while twelve percent (12%) were chief executive officers. Owner (n=18=11%) also participated. Sixty percent of questionnaires were answered by junior

managers 30%,officers 14% and trainees 6%, this reflects that majority of the educated young are getting employed by SMEs since big companies are closing down.

4.2.5 Responses on the qualifications of Respondents

TABLE 5 RESPONSES ON QUALIFICATIONS OF RESPONDENTS

Highest qualification	Frequency	Percentage
O Level	3	2%
A Level	3	2%
Certificate	13	8%
Diploma	27	17%
Degree	74	46%
Post-Graduate degree	41	25%
Total	**161**	100%

Forty-six percent (46%) of the respondents are degreed, twenty-five percent (25%) post graduate degree, while 2% were respondents with O level and 'A' level. Diplomas (n=27, 17%) lastly certificate (n=13, 8%).The results depict that majority have diploma as the minimum qualifications. This shows that most of the owners or managers of SMEs in Zimbabwe are well educated. According to Marten (2005), education is critical in running SMEs because it is positively related to success of the business. The findings are in line with Drivers (2001) study done in South Africa which discovered that individuals with matric or those with a tertiary education are more likely to own a business than those without.

4.2.6 Responses on the number of employees.

TABLE 6 RESPONSES ON NUMBER OF EMPLOYEES

Number of Employees	Frequency	Percentage
1 - 49 Employees	53	33%
50 - 200 Employees	67	42%
201 and Above	41	25%
Total	**161**	**100%**

Majority of the respondent indicated that their companies employ between 50-200 employees, thirty-three percent employee 1-49 employees. In contrast only 25% shows that they employ above 200 employees. The results are in agreement with definitions of various countries for example, Central Bank of Nigeria defines SMEs as one which employs 20 t0 300 employees; Canada is 100 to 500 employees, Australia less than 200.

4.2.7 Different types of industries in which SMEs operate.

TABLE 7 RESPONSES ON TYPE OF INDUSTRY

Type of Industry	Frequency	Percentage
Agriculture	14	9%
Manufacturing	10	6%
Mining & Engineering	11	7%
Energy	7	4%
Construction	7	4%
Wholesale & Retail	21	13%
Motor trade & repairs	7	4%
Commercial Agents	9	6%
Tourism & Catering	10	6%
Transport & Storage	11	7%
Finance & Business services	27	17%
Community & Social services	16	10%
IT & Communications	11	7%
Total	**161**	**100%**

The table7 indicates various sectors within which SMEs conducts business. Guided by the SMEs Association of Zimbabwe database, it has fourteen SMEs sectors. Finance and Business (n=27,17%) while seven percent are in IT and Communications, community and social welfare 10%.In contrast 13% are in Retail, nine percent Agriculture, six percent Manufacturing, seven percent Mining and Engineering while Energy, Construction and Motor trade have four percent each. The results truly reflects the situation in Zimbabwe about SMEs .Majority of youth are

involved in rent seeking companies while some gets into trading. Few are in Manufacturing, mining, energy since they require huge initial capital outlay.

4.2.8 Responses on years in business

Based on the data regarding number of years an organization has been operating business, majority of SMEs (n=58,36%) were between 6-10 years, seconded by SMEs with 11-20 years while up to five years (n=29,18%).The SMEs operating above twenty-one years (n=21,13%) were very few.

TABLE 8 RESPONSES ON ORGANIZATION'S NUMBER OF YEARS IN BUSINESS

Organization years in Business	Frequency	Percentage
Up to 5 Years	29	18%
6 - 10 Years	58	36%
11 - 20 Years	53	33%
21 and above	21	13%
Total	**161**	**100%**

4.3 NORMALITY TEST

The Researcher applied Shapiro-Wilk (S-W) because the sample size (n) is less than two thousand. Table 9 below shows that the significant levels of all the variables (Information accessibility, regulatory requirements, corporate governance, SMEs support and SME value addition) were below 0.05 ($p<0.05$).This clearly demonstrates that the sample is not normal distributed and as a result the non-parametric tests were used to analyse the data

TABLE 9 A TEST FOR NORMALITY OF SAMPLE DATA

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Info Accessibility	.233	161	.000	.820	161	.000
Regulatory Requirements	.242	161	.000	.843	161	.000
CorporateGorvenance	.183	161	.000	.878	161	.000
SMEsupport	.234	161	.000	.848	161	.000
SMEs valueAddition	.152	161	.000	.898	161	.000

4.4 RELIABILITY OF INSTRUMENT

TABLE 10 OVERALL RELIABILITY STATISTICS

Cronbach's Alpha	N of Items
.871	52

The verification of the internal consistency of the test, Cronbach alpha coefficient was used to compute instrument reliability .The data instrument achieved an overall 0.871 coefficient alpha which is above the acceptable bench mark of 0.60 (Saunders,2009).The validity was checked using content analysis. The result of the Pilot study was also high and very acceptable.

4.4.1 Item by Item Reliability statistics

TABLE 11 ITEM BY ITEM RELIABILITY STATISTICS

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Gender	193.18	541.236	.035	.872
Age	191.61	537.463	.054	.873
Current Position	191.24	548.297	-.124	.876
Highest Qualification	190.84	545.124	-.081	.874
Number of Employees	192.45	546.374	-.112	.874
Type of Industry	187.12	574.755	-.255	.907
Years of Organization in Business	192.23	544.428	-.068	.874
B1	191.37	513.609	.562	.865
B2	191.07	521.894	.382	.868
B3	190.90	508.853	.612	.864
B4	191.05	516.810	.498	.866
B5	190.89	514.758	.495	.866
B6	190.93	516.644	.503	.866
B7	190.93	509.207	.554	.865
B8	190.88	518.472	.454	.867
B9	190.85	515.178	.528	.866
B10	190.99	514.481	.545	.866
B11	190.73	525.387	.308	.869
B12	191.07	509.152	.617	.864
B13	190.98	513.012	.561	.865

B14	190.92	527.187	.297	.869
B15	190.96	511.879	.580	.865
B16	191.01	512.212	.578	.865
B17	191.02	517.424	.468	.867
B18	190.91	522.642	.441	.867
B19	190.99	510.119	.581	.865
B20	190.59	508.293	.146	.885
B21	190.73	516.172	.573	.866
B22	190.89	525.758	.395	.868
B23	190.80	516.873	.526	.866
B24	191.04	521.486	.453	.867
B25	190.99	511.194	.636	.864
B26	190.96	513.792	.591	.865
B27	190.79	526.793	.351	.869
B28	190.65	523.991	.384	.868
B29	190.75	525.788	.386	.868
B30	190.74	519.419	.489	.867
B31	190.53	523.200	.361	.868
B32	190.83	522.745	.486	.867
B33	190.80	519.814	.453	.867
B34	190.88	524.580	.443	.868
B35	190.83	516.470	.499	.866
B36	190.73	525.159	.433	.868
B37	190.86	522.273	.487	.867
B38	190.70	522.623	.459	.867
B39	190.82	525.761	.412	.868
B40	190.84	525.149	.379	.868

B41	190.72	525.265	.389	.868
B42	190.70	519.623	.529	.866
B43	190.71	534.233	.159	.871
B44	190.60	520.403	.479	.867
B45	190.66	520.751	.475	.867

All the questions were important to the questionnaire including demographics which achieved satisfactory Cronbach alpha with the minimum yielding 0.873.The Cronbachvalues of item by item were all above 0.6 thereby demonstrating that the scales were all reliable.

4.4.2 Reliability of Transformed data

Overall Cronbach alpha of the factors is also reliable (0.903) as shown on table 12 below. Information accessibility have eight items yielding Cronbach alpha of 0.807,regulatory requirements (0.763),corporate governance (0.824),SMEs support platforms (0.793) as well as SMEs Value Addition and Beneficiation Cluster (0.850).This means that respondents considered these factors to be important hence they need to be considered when determining factors to find SMEs to list on the Alternative Securities Market.

TABLE 12RELIABILITY OF TRANSFORMED DATA

Variables	Number of Items	Cronbach's Alpha value
Information accessibility	8	0.807
Regulatory requirements	9	0.763
Corporate governance	8	0.824
SMEs support platforms	11	0.793
SMEs value addition & Beneficiation cluster	9	0.850
Overall Cronbach's Alpha	**45**	**0.903**

4.5 IDENTIFICATION OF THE FACTORS WHICH DETERMINE THE LISTING OF SMEs ON THE ALTERNATIVE SECURITIES MARKET.

The previous sections (section 4.0, 4.1, 4.2,4.3 and 4.4) gave detailed account about the frequency distribution of the data comprised of response rate, gender, age, positions held, qualifications, number of years SMEs has been in business. It also outlined the normality test, reliability of the instrument as well as item by item reliability of the instrument.

In this section, the researcher outlined comprehensive factor analysis procedures which were applied to find out the major components of the factors which determine the listing of SMEs on the Alternative Securities Market. The steps and procedures include checking the applicability of the data for factor analysis, methods of factor extraction, determining number of useful factors, factor rotation, naming and interpretation of factors.

4.5.1   Checking the suitability of data for factor analysis

TABLE 13 KAISER-MEYER-OLKIN, THE MEASURE OF SAMPLING ADEQUACY

KMO and Bartlett's Test[a]

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.778
Bartlett's Test of Sphericity	Approx. Chi-Square	4.583E3
	Df	990
	Sig.	.000

The Kaiser –Meyer-Olkin, Measure of Sampling Adequacy (MSA) was used to determine factors analysis suitability. Malhotra (2007) suggested that if Kaiser-Meyer-Olkin (KMO) values are between 0.5 and 1, researcher can apply factor analysis. However, Malhotra (2007) further argued that if KMO values are less than 0.5, the results of factor analysis are not important. The table above 13 shows that the KMO value is factorable since KMO is 0.778.Kaiser (1970) put the assertion that a good factor –analytic data is when KMO is 0.8 while excellent is 0.9.

4.5.2   Selecting a method of factor extraction.

The researcher adopted the Principal Component Analysis (PCA) as a method of data reduction to extract the factors which determine the listing of SMEs on the Alternative Securities Market.

The major advantage of PCA is that during reduction process, no important information is lost. According to Vidan, Ophori and Banoeng-Yakubo (2008), PCA is very useful in determining the minimum number of factors that will be possible sources of variation in the data.

4.5.3 Determining the number of useful factors

Lederma and Valero-Mora (2007), suggested that there are two reasons one need to consider when determining the number of useful factors to retain .Firstly, the researcher should strike a balance between reducing factors which deemed to be unnecessary while at the same time maintain the right factors which reflects the study. Secondly, the researcher should consider the risk of under extraction and over extraction of factors which may lead to wrong conclusion of the analysis. For the purpose of this study, the researcher used three methods to come up with the factors to retain or reject. The methods include Kaiser's eigenvalue greater than one rule, Cattell's Scree test and Percentage of Variance method.

4.5.3.1 Kaiser's Eigenvalue Greater Than One Rule to extract factors

Hulk (2012) concluded that factors to be retained for interpretation are those with big eigenvalues since they are useful while those with small eigenvalues should be rejected. Basing on the Kaiser's eigenvalue greater than one rule to extract factors, the researcher identified seven factors as highlighted

TABLE 14Eigen value

Factors	Eigen Value
1	13.716
2	3.377
3	2.681
4	2.038
5	1.887
6	1.808
7	1.596

4.5.3.2 Extracting factors using percentage variance

Hulk (2012) defined a satisfactory factor extraction as one with a minimum of sixty percent cumulative percentage of variance. Seven factors were extracted and these seven factors represented the factors which determine the listing of SMEs on the Alternative Securities Market. Cumulative percentage variance of 72,091 % was accounted which implied that the factor extraction was satisfactory since it was above the minimum requirement of sixty percent as illustrated below.

TABLE 15 EXTRACTION OF FACTORS USING PERCENTAGE VARIANCE

Total Variance Explained						
	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	13.716	27.318	27.318	4.863	13.578	13.578
2	3.377	17.234	44.552	4.82	12.395	25.973
3	2.681	7.354	51.906	3.224	12.302	38.275
4	2.038	5.997	57.903	2.804	11.891	50.166
5	1.887	5.634	63.537	2.606	8.533	58.699
6	1.808	6.865	70.402	2.341	7.569	66.268
7	1.596	1.689	**72.091**	2.578	5.823	**72.091**

4.5.3.3 The Scree Plot of eigenvalues of seven factors.

According to Lederman and Valero-Mora (2007), a Scree Plot is a graphical representation of the eigenvalues with eigenvalues on the vertical axis while factors extracted are on the horizontal axis. Hulk (2012) established the main purpose of Scree Plot as to find the point where the line levels off. Hulk (2012) further argued that by establishing the level off point, the Scree Plot helps researchers to differentiate between important factors and those which are not important. The Figure 4 below depicts the Scree graph plotted leveling off after seven factors hence factors after the seven are trivial.

Scree Plot
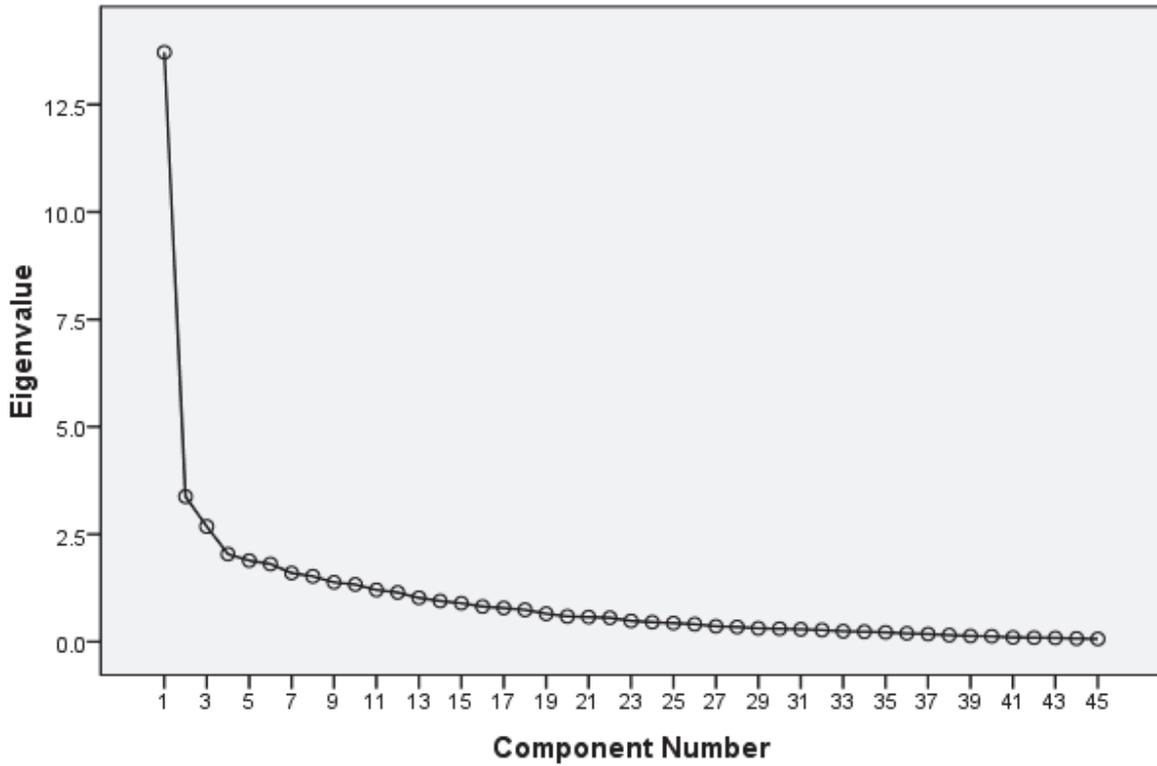
FIGURE 4 SCREE PLOT

4.5.4 FACTOR ROTATION

TABLE 16 FACTOR EXTRACTION IN ROTATED FORMAT

Variables:	Factors						
	1	2	3	4	5	6	7
B1 Information availability	0.81 2						
B2 Availability of communication platforms	0.76 5						
B3 SMES being Informed	0.76 5						
B4 SMEs being informed about ASM	0.72 4			0.41 2			

B5 Benefits of Listing are being explained	0.644					
B6 Information is available in public media	0.639					
B7 Free information through vending agencies	0.576					
B8 Training is being done for free	0.634					
B9 Rules and regulations for listing are available		0.841	0.507			
B10 Stringent listing requirements		0.838				
B11 Rules and regulations on ZSE hinder SME		0.761				
B12 Awareness of the rules and regulations		0.732				
B13 Clearly stated rules and regulations		0.73				
B14 No minimum capital requirements		0.729				
B15 No prescribed number of shares		0.782				
B16 No profit record is required		0.623				
B17 No need of shareholder approval		0.579				
B18 Managers and directors act in best interest of company			0.706			
B19 Corporate governance is not prescriptive			0.678			
B20 No litigation for failure to comply			0.675			
B21 Corporate governance rules are more friendly			0.645			
B22 Board composition with at least two independent			0.559			
B23 Independent directors on board composition			0.551			

B24 Annual reports send to investors			0.755				
B25 Only required to keep soft copy of annual report			0.741				
B26 Well-structured SME support				0.73			
B27 IPO taskforce in place				0.567			
B28 Financial relief measures available				0.544			
B29 Availability of SME database					0.693		
B30 Independent equity research					0.625		
B31 Leadership development and succession plan					0.572		
B32 Financial institutions available for loans					0.572		
B33 Government support				0.533		0.679	
B34 Growth ambassadors						0.553	
B35 Listed SMEs exempted from tax							0.765
B36 Performance check	0.514						-0.706
B37 SMEs involved in value addition					0.667		
B38 Clustering of SMES					0.674		
B39 High quality goods through clustering					0.594		
B40 Clustering increase sales volume					0.541		
B41 Clustering helps in growth of SMEs					0.712		
B42 Technological development					0.578		
B43 Enhancement of specialization						0.873	

B44 Favorable policies							-0.725	
B45 Government protection for SMEs in value addition						0.867		

Hulk (2012), noted that a variable should load at least 0.4 on a factor in order to establish whether that variable belongs to a given factor.

4.5.4   Data transformation

The variables loaded into seven factors, however they were transformed into five main factors without comprising the analysis conclusion.B4 and B9 cross loaded hence big values were considered and 0.412 and 0.507 were rejected during data transformation. Factor three did not have any problem in factor loading, but factor four has problem of factor cross loading.B29, B30.B31, B32, B33, B34 and B35 were considered to be factor four hence factor four have a total item of eleven.B36, B43 were considered for factor five and the bigger number was taken rather than -0.706 which was rejected.B44 was deleted since it falls below the standard variable load of 0.4.

Factors were named as follows, factor 1 (Information accessibility), factor 2 (regulatory requirements), factor 3 (corporate governance), factor 4 (SMEs support platforms) and factor five was named SMEs value addition and beneficiation cluster

TABLE 17 DATA TRANSFORMATION

Factor	Variables	Number of Items
1	Information accessibility	8
2	Regulatory requirements	9
3	Corporate governance	8
4	SMEs support platforms	11
5	SMEs value addition & Beneficiation cluster	9
	OverallCronbach's Alpha	**45**

4.5.6 The Naming and Interpretation of Factors

DIMENSION DESCRIPTION	NO. OF ITEMS	EIGEN VALUES	% OF VARIANCE	CUMULATIVE %	CRONBACH ALPHA
Information accessibility	8	13.716	13.578	13.578	0.807
Regulatory requirements	9	3.377	12.395	25.973	0.763
Corporate governance	8	2.681	12.302	38.275	0.824
SMEs support platforms	11	2.038	11.891	50.166	0.793
SMEs value addition & Beneficiation cluster	9	1.887	8.533	58.699	0.850
Overall Cronbach alpha for the scale0.903					

4.5.6.1Factor 1: Information accessibility

The researcher named factor one information accessibility with eigenvalue of 13.716 and percentage variance of 13.578 while its Cronbach alpha yielded 0.807.Eight items were loaded to constitute factor one and these items include information availability with factor loading of 0.812,availability of communication platforms (0.765),SMEs being informed (0.765),benefits of listing on the ASM are explained (0.644),information is available in public media (0.639),free information through vending agencies (0.576),training is being done free (0.634).SMEs need to be informed for them to list on the ASM. Ladzani (2001) argued that SMEs perform better in information rich environments. This was consolidated by Corps (2005) who claimed that adequate information enhances productivity and facilitating market access. This indicates that information availability is key if SMEs are to list on the ASM .Mwarari (2013), in a study carried in Kenya to find out whether information accessibility influences listing of SMEs in the Nairobi Stock Exchange, the study discovered that seventy percent (70%) of the respondents believed that access to information is key to listing. The study also revealed that SMEs were not educated about the benefits of listing on the ASM and they also face challenges in accessing

information about ASM (Mwarari, 2013).Proactive communication to various stakeholders has resulted to the high success of AlM (London Stock Exchange, 2010).UNIDO (2005), noted that SMEs in developing countries suffer from inadequate information as well as limited in scope and is not in integrated manner. A study conducted in Northern Uganda by Okello (2008) showed that SMEs depends on informal institutions for information. Studies from London, Uganda, South Africa, Nigeria and Kenya have proved that information accessibility is key if SMEs are to list on the ASM. This demonstrates that information accessibility is an important factor in the decision making to register SMEs on the ASM.Therefore hypothesis:

H1: Information accessibility is important in determining SMEs listing on the ASM, is accepted

4.5.6.2 Factor 2: Regulatory requirements

Factor 2 was named regulatory requirements. The factor has an eigenvalue of 3.377 and a percentage variance of 12.395.Cronbach alpha for factor 2 achieved 0.763 demonstrating the reliability of the factor. It is made up of nine items which are rules and regulations for listing are available with a factor loading of 0.841,stringent listing requirements (0.8380),rules and regulations on ZSE hinder SMEs (0.761),awareness of rules and regulations (0.732),clearly stated rules regulations (0.73),no minimum capital requirements (0.782),no profit record is required (0.623) and finally no need of shareholders' approval (0.579).Mwarari (2013),assert that rules and regulations set by capital markets are unfavorable to most SMEs. Mwarari (2013) found that seventy-five percent (75%) of the respondents were of the opinion that rules and regulations influences listing of SMEs on the ASM, hence that study revealed that terms and conditions affect SMEs listing on the ASM. London Stock Exchange (2010), acknowledged the impact of rules and regulations on SMEs listing by advocating for a balanced approach to regulations which enables SMEs to list. AIM rules are SMEs tailored to support the needs of smaller companies (London Stock Exchange, 2010).According to London Stock Exchange (2010),no trading record is required as well as no minimum size is prescribed for any SMEs which need to list on the AIM. Nigeria Stock Exchange (2010) implemented flexible listing requirements for emerging business in order to encourage them to list on the ASM .According to Nairobi Stock Exchange (2013) stringent rules hinders SMEs to list on Nairobi Stock Exchange .Mwarari (2013), found that there is need of reducing the listing requirements if SMEs are to be attracted on the ASM. Studies and experiences from Kenya clearly indicate that regulations need

to be revised if SMEs are to list. The fact that stringent regulations hinder SMEs to list clearly proves that regulation requirements are a key factor in the decision making to list SMEs on the ASM. Hence, the Hypothesis that:

H1: Enabling regulatory requirements is very vital in determining SMEs listing on the ASM is accepted.

4.5.6.3 Factor 3: Corporate Governance

The third factor was labeled Corporate Governance with eigenvalue of 2.681 and percentage variance of 12.302.It has a Cronbach alpha of 0.824 and is comprised of eight items which include managers and directors act in the best interest of a company with a factor loading of 0.706,Corporate Governance is not prescriptive (0.678),no litigation for failure to comply (0.675),Corporate Governance are not friendly (0.645),board composition with at least two independent (0.559),independent directors on board composition (0.551),annual reports send to investors (0.755),to keep soft copy of annual report (.741).Zimbabwe National Chamber of Commerce (2010),defined Corporate Governance as set of process ,customs, policies, laws and institutions affecting a way a company is directed, administered or controlled. The inclusion of Corporate Governance in the factors which determine SMEs listing on the ASM corresponds closely to the view proposed by Securities Commission of Zimbabwe (2010) that good Corporate Governance promote SMEs as well as regional markets .Mwarari (2013),reported that corporate governance influences listing of SMEs on the Nairobi Stock Exchange. According to Mwarari (2013), eighty-five percent (85%) of the respondents agreed that corporate governance influences SMEs listing; hence this indicates corporate governance is a factor to consider when determining SMEs listing. London Stock Exchange (2010),stipulates companies on the main market must be abiding to the principles of good corporate governance while SMEs listed on AIM should aspire to the level of the main board .This argument is line with the Securities Commission of Zimbabwe (2010),which seeks directors of SMEs companies to voluntarily communicate themselves and where there is noncompliance they should explain (Zimbabwe National Chamber of Commerce,2010).SMEs are only required to keep a soft copy of their annual report on the website than to publish in newspapers which more expensive (BSE,2013).According to Nairobi Stock Exchange (2013),flexing corporate governance requirements are not meant to compromise good corporate governance but only to tailor made them so as to meet the

requirements of SMEs in order to encourage them to list. It can be concluded that corporate governance is an essential factor in decisions to register on the ASM. Hence, the Hypothesis:

H1: Good corporate governance is essential in determining SMEs listing on the ASM, can be accepted.

4.5.6.4 Factor 4: SMEs Support Platforms

The fourth factor with eigenvalue of 2.038 and percentage variance of 11.891 was named SMEs support platforms. The Cronbach alpha for this factor yielded a value of 0.793, indicating the reliability of the factor. The factor has eleven items. These items are well structured SMEs support (0.73),IPO task force in place (0.567),Financial relief measures available (0.544),availability of SMEs database (0.693),independent equity research (0.625),leadership development and successful plan (0.572),financial institutions available loans (0.572),government support (0.679),growth ambassadors (0.553),listed SMEs exempted from tax (0.765),performance check (0.514),.In an analysis of the importance of setting up SMEs support platforms such as financial institutions which extent credit to SMEs, Technological Capability Theory by Lall (2001),postulates that availability of credit ensures that firms invest in new technology that is efficient and cost savings which enables them to grow. London Stock Exchange (2010) claims that AIM success story hinges on SMEs support platforms such as advisor networks as well as well-established investor relationship. The importance of SMEs support platforms were concurred by Koush (2002),who suggested that basic management skills are important regardless of nature of business that SMEs undertakes and failure to have will result in suboptimal decisions and eventual collapse. Nigeria Stock Exchange in partnership with companies provides institutional services such as leadership development, succession planning (Nigeria Stock Exchange, 2010).Nairobi Stock Exchange (2013), noted that Nomads or designated Advisors play a vital role if an ASM is to be successful. Nomads ensures that SMEs meet ASM criteria as well as ensuring SMEs have necessary track records (Nigeria Stock Exchange,2010).In a study carried out in Uganda to find out the most problematic factor for doing business. The Africa Competitiveness Report (2009) concluded that access to finance with 22.9% respondents was ranked number one, inadequate infrastructure 11.4%, tax rates 9.9% as the major problems faced by SMEs and there is need to put support platforms to cater for this areas .Mwarari (2013), indicated that there is need to create venture capital and private equity

firms to lend to SMEs with the view to selling them either by IPO or private replacement once the business attain maturity. The above discussion clearly indicates that SMEs support platforms is a key factor in the decision to list SMEs on the ASM .Therefore the Hypothesis:

H1: Proper SMEs support platforms is key in determining SMEs listing on the ASM is accepted.

4.5.6.5 Factor 5: SME Value Addition and Beneficiation Cluster (SMEVABC)

Factor 5 was named SME Value Addition and Beneficiation Cluster with eigenvalue of 1.887 and percentage variance of 8.533.The Cronbach alpha for this factor yielded 0.850 which indicates that it is reliable. The factor is comprised of nine items. Firstly is SMEs involved in value addition (0.667),clustering of SMEs (0.674),high quality goods through clustering (0.594),clustering create sales volume (0.541),clustering helps in growth of SMEs (0.712),technological development (0.578),enhancement of specialization (0.873),favorable policies (0.725) as well as government protection for SMEs in value Addition and Beneficiation (0.867).The idea of SMEs Value Additions and Beneficiation Cluster was advocated by Friedman and Weaver (1979) with focus of bringing value locally produced goods. Kurokawa (2008),consolidated the need for SMEs to be put in clusters by suggesting that clustering foster growth for SMEs and enables SMEs to produce competitive products which can be exported globally .Bwisa (2013),added that clusters should consist of SMEs which are involved in value addition. Cluster enables government to tailor made policies which enhances technology uptake (Bwisa, 2013). The inclusion of this factor as one of the factor which should be considered when determining SMEs to list on the ASM is because SMEs in cluster can end up forming group enterprise called mutual guarantee networks (Bwisa,2023).Mutual guarantee networks enables SMEs participation to access credit by granting collective guarantee for loans to their members (Daniel,2014).According to Daniel (2014),members take part directly or indirectly in the formation of the equity and the management of the scheme. This illustrates that SMEs Value Addition and Beneficiation cluster is an important factor in the decision to register on the ASM. Therefore Hypothesis:

H1: SMEs Value Addition and Beneficiation Cluster is of great importance in determining SMEs listing on the ASM is accepted.

4.6   INDEPENDENT SAMPLE TESTING

The researcher applied Mann-Whitney u test which is a non-parametric method to establish whether there is any significant differences in terms of gender, current position, highest qualification as well as age across information accessibility, regulatory requirements, corporate governance,SMEs support platforms, SMEs Value Addition and Beneficiation Cluster.Sharpe,Veaux and Velleman (2012),defined Mann –Whitney as one which assumes independence of data and should be applied where samples are from same distribution

4.6.1Independence test to identify the respondents' opinions on five factors across gender categories

TABLE 19 RESPONDENTS' OPINIONS ON FIVE FACTORS ACROSS GENDER CATEGORIES

Test Statistics[a]

	Info Accessibility	Regulatory Requirements	Corporate Governance	SMEsupport	SMEs value Addition
Mann-Whitney U	3101.500	2987.000	3191.500	3116.000	3210.500
Wilcoxon W	6027.500	6642.000	6117.500	6771.000	6136.500
Z	-.439	-.829	-.131	-.388	-.066
Asymp. Sig. (2-tailed)	.661	.407	.896	.698	.947

a. Grouping Variable: Gender

In order to find out whether the opinions of the respondents are the same in relationship to five factors (information accessibility, corporate governance, regulatory requirements ,SMEs support platforms and SMEs value Addition and Beneficiation Cluster across gender categories ,Mann – Whitney U test was conducted and the results are shown in Table 4.6.1 above. Basing on Man – Whitney U test as shown in the table ,information accessibility (p-value=0.661 > 0.05),regulatory requirements (p-value = 0.407>0.05),corporate governance (p- value =0.896>0.05),SMEs support platforms (p-value =0.698 >0.05) and SME Value Addition and Beneficiation Cluster (p-value =0.947>0.05).This means that there is no any statistically significant difference between male and female respondents in relation to information accessibility, corporate governance, regulatory requirements, SME Value Addition and Beneficiation Cluster as well as SMEs support platforms. The conclusion is that, if you take

either male or female at random, you get the same response regarding the five factors which determine SMEs listing on the ASM.

4.6.2 Independence test to determine the respondent's opinions on five factors across age.

A non-parametric Mann-Whitney test U test was conducted to test for any statistically significant differences on the five factors across age of the respondents. The results show that there was no statistically significant differences regarding respondents' opinions on the five factors across age. The table 4.6.2 shows that Information accessibility (p-value=0.221>0.05), regulatory requirements (p-value=0.912>0.05), corporate governance (p-value=0.118>0.05), SMEs support platforms (p-value=0.715>0.05), SMEs Value Addition and Beneficiation Cluster (p-value=0.228>0.05).The results depicts that regardless of age differences participants' opinions on the five factors were the same. If one takes participants at random across age, one will get the same response in relation to the factors which determine SMEs listing on the ASM.

TABLE 20 RESPONDENTS' OPINIONS ON FIVE FACTORS ACROSS AGE

Test Statistics[a,b]

	Info Accessibility	Regulatory Requirements	Corporate Governance	SMEsupport	SMEs value Addition
Chi-Square	6.994	1.505	8.788	2.903	6.907
Df	5	5	5	5	5
Asymp. Sig.	.221	.912	.118	.715	.228

a. Kruskal Wallis Test

b. Grouping Variable: Age

4.6.3 Independence test to establish the respondents' opinion on five factors across current positions

A non-parametric Mann-Whitney U test was carried out to test whether there was any statistically significant difference across the five factors which determine SMEs listing on the ASM namely, information accessibility, regulatory requirements, corporate governance, SMEs support platforms, SMEs Value Addition and Beneficiation Cluster. The findings are presented in Table 4.6.2 below. The Mann-Whitney results indicated that there was no statistically significant differences across the five factors in to the current position held by the respondents

because information accessibility (p-value=0.943>0.05) while regulatory requirements (p-value=0.265>0.05).SMEs support platforms (p-value=0.283>0.05),SMEs Value Addition and Beneficiation Cluster (p-value=0.221>0.05).The results clearly indicated that there is no significant differences on the five factors which determine SMEs listing across current positions. If one picks any person at random from the current position, one will get the same opinions.

TABLE 21 RESPONDENTS' OPINION ON FIVE FACTORS ACROSS POSITIONS

Test Statistics[a,b]

	Info Accessibility	Regulatory Requirements	Corporate Governance	SMEsupport	SMEs value Addition
Chi-Square	.763	5.230	4.614	5.043	5.724
Df	4	4	4	4	4
Asymp. Sig.	.943	.265	.329	.283	.221

a. Kruskal Wallis Test

b. Grouping Variable: Current Position

4.7 CHAPTER SUMMARY

Chapter 4 has carried out factor analysis of the factors which determine SMEs listing on the ASM. The factors which has emerged as

Important are information accessibility, regulatory requirements, corporate governance, SMEs Support platforms and SMEs Value Addition and Beneficiation Cluster. The chapter also tested item by item reliability as well as overall reliability of the transformed data. It also established whether there were any significant differences on respondents' opinions regarding the factors which determine SMEs listing on the ASM across gender, current positions and age.

The next chapter will conclude the study and provide some recommendation for management decision making.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

Chapter 4 highlighted and gave detailed account about the empirical findings of the study. A comprehensive factor analysis steps and procedures were discussed in order to establish the main components of the factors which determine the listing of SMEs on the ASM. This chapter will give a critical analysis of the research objectives, hypothesis of the study as well as conclusions. Recommendations and the contribution made by the study will also be outlined followed by the implications and limitations of the study. Last but not least, the chapter will concludes by highlighting the proposals for any further study.

Chapter 1 discussed about the problem statement of the study with the view to establish the rationale of the study. The problem statement has illustrated that ASM are found in Kenya, Nigeria, Ghana, South Africa and London and there has been extensive research done in respective countries .It has been noted that there is no an ASM in Zimbabwe though there are some efforts to establish one .Another point to note is that little has been done in relation to the factors which determine listing of SMEs on the ASM .It is evident from literature that a financial system which comprises of ASM is healthier for SMEs as compared to one with one source (Global Entrepreneurship Monitor,2009).

The main objective of the study was to find out the factors which determine SMEs listing on the ASM.The researcher will outline the objectives and hypothesis so as to find out whether they were realized.

5.2 EVALUATING OBJECTIVES:

The researcher has drawn the following conclusions against each objective that were highlighted in chapter 1

Objective 1:

- To investigate whether information accessibility is a critical factor to determine the listing of SMEs on the ASM.

The researcher carried out a factor analysis in order to find out the factors which determine listing of SMEs on the ASM .Information accessibility emerged to be the first factor which is critical in determining the SMEs for listing on the ASM.SMEs need to be informed for them to list on the ASM. Ladzani (2001) argued that SMEs perform better in information rich environment. The findings from the study indicated that information accessibility is a key factor in determining SMEs to list on the ASM .Information enables SMEs to have knowledge about the benefits of listing on the ASM.

Objective 2:

- To establish how essential is enabling regulatory requirements on SMEs listing on the ASM.

Regulatory requirements were identified as the second factor which should be considered when determining SMEs for listing. Mwarari (2013) discovered that regulations requirements affect SMEs listing hence should be considered. The findings were in consistent with the London Stock Exchange (2010) which acknowledged that regulation requirements have impact on SMEs listing. It is therefore, very important to review rules and regulations if SMEs are to list. Rules should not be stringent.

Objective 3:

- To assess whether good corporate governance is an important factor in determining SMEs listing on the ASM.

The third factor was labeled corporate governance and respondents indicated that corporate governance is a vital factor in the determination of SMEs for listing. Mwarari (2013) reported

that corporate governance should be tailor made to suit SMEs requirements if SMEs are to list .Corporate governance is critical in that it promotes transparency and integrity. If managers act in the best interest of the organization, owners of SMEs will be willing to sell part of the shares to the public. However if they are not, they may be reluctant to sell shares.

Objective 4:

- To identify how vital is proper SMEs support platforms on SMEs listing on the ASM.

The fourth factor is SMEs support platforms which describe various support platforms being put in place by government to facilitate SMEs to list on the ASM such as tax incentives, interest rate free loan and so on. The respondents in the study observed that SMEs support platforms are essential if SMEs are to be attracted to list on the ASM. Technological Capability Theory by Lall (2001) argued that availability of SMEs support platforms such as credit ensures that firms invest in new technology which is efficient and helps them to grow and generate more revenue. This is in line with the London Stock Exchange (2010),which argued that SMEs support platforms is the secret behind the major success of AIM.SMEs support platforms enabled SMEs to be competitive and give them ability to maintain and sustain growth.

Objective 5:

- To evaluate the extent to which proper SMEs Value Addition and Beneficiation Cluster can be of relevance to SMEs which need to list on the ASM.

The fifth factor is SMEs Value Addition and Beneficiation Cluster. The findings from the study proved that SMEs Value Addition and Beneficiation Cluster encourage SMEs to list on the ASM. Kurokawa (2008) suggested that SMEs clustering promotes growth. This is in line with Bwisa (2013), who argued that cluster should consists of SMEs which participate in value addition hence they become competitive. Clustering facilitates government to tailor made policies as well as encourages technology uptake.

Objective 6:

- To establish whether there are any significant differences on respondents opinions regarding the factors which determine SMEs listing on the ASM across gender, current positions and age.

The findings have proved that regardless of age, gender and current position differences, participant's opinions considered the five factors to be the same. If one takes participants at random across age, gender and current positions one will get the same response in relation to the factors which determine SMEs listing on the ASM.

5.3 EVALUATING HYPOTHESIS

The hypothesis proposed in chapter 1 are as follows:

H1: Information accessibility is important in determining SMEs listing on the ASM.

H2: Enabling regulatory requirements is vital in determining SMEs listing on the ASM.

H3: Good corporate governance is essential in determining SMEs listing on the ASM.

H4: Proper SMEs support platforms is key in determining SMEs listing on the ASM.

H5: SMEs Value Addition and Beneficiation Cluster is of great importance in determining SMEs listing on the ASM.

H6: There are no significant differences on respondents' opinions regarding the factors which determine SMEs listing on the ASM across gender, current positions and age.

Hypothesis one to five were tested using factor analysis and the tests of differences between means of groups were conducted using the Mann-Whitney Utest and the Kruskal Wallis test, and the results are shown in table 5.2 below:

TABLE 22 HYPOTHESIS TESTING AND OUTCOMES

Hypothesis	Decision
H1: Information accessibility is important in determining SMEs listing on	Hypothesis

the ASM	accepted
H2: Enabling regulatory requirements is very vital in determining SMEs listing on the ASM	Hypothesis accepted
H3:Good corporate governance is essential in determining SMEs listing on ASM	Hypothesis accepted
H4: Proper SMEs support platforms is key in determining SMEs listing on ASM.	Hypothesis accepted
H5: SMEs Value Addition and Beneficiation Cluster is of great importance in determining SMEs listing on the ASM.	Hypothesis accepted
H6:There is no any significant differences on respondents opinions regarding the factors which determine SMEs listing on the ASM across gender, current positions and age	Hypothesis accepted

The results in table 22 above clearly illustrate that for SMEs to list on the ASM, there is need to consider information accessibility, regulatory requirements, corporate governance, SMEs support platforms as well as SMEs Value Addition and Beneficiation Cluster. The five factors are key in the determination of SMEs to list on the ASM. Furthermore the results also prove that there are no significant differences in the way respondents of different age, position and gender perceive the factors that are important in influencing SMEs to register with the ASM.

In conclusion, it should be noted that in order to establish a successfully ASM, the responsible authorities should first of all make sure that the factors which determine SMEs listing should put in place.

5.4 THEORETICAL CONTRIBUTIONS

The objectives of the study were achieved through an extensive review of the relevant literature. The researcher used various sources for literature review. This encompasses books, research articles as well as government publications. Literature review was done in regard to the five factors as highlighted below:

5.3.1 Information accessibility

The researcher discussed about the role played by information in countries where there are ASM such as South Africa, Nigeria, Ghana and London. Literature reviewed indicated that information accessibility is key since it sells the benefits of listing on the ASM. The section also indicated that failure to reach SMEs with relevant information can lead to ASM failure as in the case of Kenya (Mwarari, 2013).

5.3.2 Regulatory requirements

The section discussed about the implications of applying stringent regulations on the ASM .Literature reviewed indicated that successfully ASM like AIM London is due to flexible rules which accommodate SMEs which cannot meet stringent rules on the main board .Challenges of setting stringent minimum requirements hinders SMEs to list. The section has discussed about the benefits of reviewing regulations requirements.

5.3.3 Corporate governance

Literature reviewed in relation to corporate governance helped to outline the roles played by corporate governance in attracting SMEs to list on the ASM .It was discussed that there is need to tailor make corporate governance in order to suit SMEs so as to encourage them to list.

5.3.4 SMEs Support Platforms

Theoretical literature reviewed about SMEs support platforms helped to outline the necessary types of platforms which should be put in place in order to attract SMEs on the ASM .Results and findings from literature that SMEs support platforms are the backbone to the success of ASM hence should be put in place.

5.3.5 SMEs Value Addition and Beneficiation Cluster

Literature reviewed helped to attain this objective through the use of various sources. Value Addition, beneficiation and cluster were defined. The contribution of cluster and value addition was discussed in detail. It has been proved that, it is easier to attract SMEs involved in Value Addition and Beneficiation Cluster to the ASM since they have the appetite to grow (Bwisa, 2013). Value Addition promotes specialization which will give SMEs a competitive advantage over their rival (Bwisa, 2013).

It has been discussed that information accessibility, regulatory requirements, corporate governance, SMEs support platforms and SMEs Value Addition and Beneficiation Cluster should be used as determinants to select SMEs to list on the ASM. The researcher outlined that there is no literature specifically meant for Zimbabwe and there is no any research done in relation to Zimbabwe about the factors which determine SMEs listing .However, literature from London ,South Africa, Nigeria and Kenya agreed on the five factors which can be used to determine ASM listing**.** Based on the findings of the study, the conceptual model is deemed to be correct and important and should be used to guide policy makers in encouraging SMEs to register with the ASM.

5.3.7 Revised conceptual framework

The findings from the study have outlined a clear picture about the importance of the factors which determine SMEs listing on the ASM.

5.5 RECOMMENDATIONS

Globally ,SMEs constitutes nine out of ten of the world's businesses (Daniel,2014).SMEs have created sixty percent of employment worldwide (ACCA,2010).However SMEs are faced with great challenges such as limited access to finance as well as hostile regulatory requirements (Ruzivo Trust,2012).SMEs are charged high interest rates compared to larger firms because they are perceived to have a high risk profile (Zimbabwe National Chamber of Commerce,2010).It is against this background that there is need to establish an SMEs ASM in order for them to raise working capital through selling of shares. These problems pose serious threat to long term survival of SMEs .Hence there is need to establish a SMEs ASM which specifically caters their needs.

Given the contribution played by capital markets in the development of the economy as well as the ability to raise funds through selling shares, .It is important for the responsible authorities to take into account the following recommendations as highlighted below:

5.4.1 Recommendations based on Factor analysis.

The findings from factor analysis has shown that for SMEs to list on the ASM, information accessibility ,regulatory requirements, corporate governance, SMEs support platforms and SMEs Value Addition and Beneficiation Cluster should be put into consideration. These factors are important in determining SMEs to list on the ASM.

5.4.2 Recommendations based on information accessibility.

There is need to inform SMEs about ASM. Ladzani (2001), put the assertion that SMEs perform better in information rich environment .SMEs need to be informed in order for them to make informed decision .SMEs need to be told about the benefits of listing on the ASM .Mwarari (2013), in a study carried out in Kenya to find out whether information accessibility is important .The study discovered that access to information is key to listing.

5.4.3 Recommendations based on regulatory requirements

If SMEs are to list on the ASM, there is need for advocating for a balanced approach to regulations which enables SMEs to list (London Stock Exchange, 2010).AIM rules are tailor made in order to attract SMEs to list on. SMEs need friendly regulations for them to grow as well as attractive rules for them to list on the ASM. According to Mwarari (2013), stringent regulations hinders SMEs to list hence there is need to flex rules.

5.4.4 Recommendations based on corporate governance

There is need to tailor make corporate governance requirements. The compromisation of corporate governance practices are not meant to violate the codes of good corporate governance but to tailor made them to suit the requirements of SMEs in order to encourage them to list (Nairobi Stock Exchange, 2013).It is therefore very important to pay particular attention to corporate governance if one needs to attract SMEs to list on the ASM .Even though corporate governance is not a penance to make SMEs to list, it has been discovered that friendly corporate governance practices encourages SMEs to list.

5.4.5 Recommendations based on SMEs support platforms.

Literature has proved that SMEs support platforms is a vital factor in determining SMEs to list on the ASM .Putting in place support platforms enhances the willingness of SMEs to list. This is in line with the London Stock Exchange (2010), which argued that AIM success story is underpinned by the provision of SMEs support platforms. Nigeria Stock Exchange (2010), argued that provision of support platforms such as leadership development, succession planning enhances SMEs growth hence the need to list on the ASM.

5.4.6 Recommendations based on SMEs Value Addition and Beneficiation Cluster

Due to increased competition from larger organization SMEs face, it is advisable for SMEs to be grouped in clusters which participate in Value Addition and Beneficiation. SMEs in cluster are more likely to list than those not in clusters. Bwisa (2013) argued that SMEs in clusters end up forming group enterprises which enables SMEs to access credit by granting collective guarantee for loans. According to Daniel (2014), members will take part directly or indirectly in the formations of the equity and the management of the scheme.

5.6 LIMITATIONS OF THE STUDY

The research study outlined the factors which determine listing of SMEs .However the findings should be used and interpreted to a certain extent because of the short comings associated with the instrument used to collect data. The researcher used structured questionnaires to collect data which have limitations of failing to collect in depth information about SMEs .According to Falshaw (2005), structured questionnaires cannot collect in depth information. The researcher neither had the control over respondents nor had the ability to manipulate the environment understudy. In other words, there was need to collect qualitative data through face to face interview where nonverbal and probing can be done. The study heavily relied on close ended questions with rating scale of five points running from positive to negative; hence it has ignored the probing aspects which have an advantage of collecting in depth and other personal views of the respondents. The study was carried out only to SMEs within Harare hence generalization to all SMEs in Zimbabwe should be done with caution since there are many SMEs outside Harare.

5.7 AVENUES FOR FURTHER STUDY

The study has helped to identify the factors which determine listing of SMEs on the ASM within Harare. However there are many areas of further study. The study used a cross-sectional survey strategy because of lack of time to determine the factors which determine SMEs listing hence it is advisable to carry out such type of research in the near future. Quantitative research design was used in this research study, therefore there is need to use both qualitative and quantitative methods. This will make it possible to collect both objective and subjective views of the

respondents. Thus qualitative research design will be used as follow ups to the responses obtained in order to probe to get in depth information. It will be more reasonable if the same study is replicated in other towns like Bulawayo, Gweru, Mutare, Kwekwe to mention but just a few. The extension of the study to parastatals will also be commendable.

5.8 CONCLUDING REMARKS

The general objective of the research study was to find the factors which determine SMEs listing on the ASM. The study has revealed that information accessibility, regulatory requirements, corporate governance, SMEs support platforms as well as SMEs Value Addition and Beneficiation Cluster are important in determining SMEs listing on the ASM .The findings from the research lend support to previous studies done in Kenya, South Africa, Nigeria and London that information accessibility, regulatory requirements, corporate governance, SMEs support platforms and SMEs Value Addition and Beneficiation Cluster are key determinants of SMEs listing. This is consistent with Mwarari (2013), who also noted the same five factors as very important for SMEs to list.

It can be concluded that, if Securities Commission of Zimbabwe is to establish a SMEs ASM, they should factor in information accessibility, regulatory requirements, corporate governance, SMEs support platforms and SMEs Value Addition and Beneficiation Cluster as determinants for SMEs listing.

REFERENCES

1. Abor, J. a. (2007). How do we explain the Capital Structure of SMEs in Sub-Saharan Africa? Evidence from Ghana.*SA Journal f research*.

2. Arkebauer, K.R. (1991), Cashing Out, Harper Business, New York, NY.

3. Andre, B. P. (2007). Credit Assessment &Relationship Lending: An empirical Study of GermnSMEs.*Journal of Small Business Management*, 190-213.

4. B., B. C. (2011). An Empirical Investigation of the Financial Growth Life Cycle.*The Journal of Small Business and Enterprise Development*.

5. Bansal, S. (2010). BSE and NSE SME Exchange Platform- Big Opportunity for Small Companies and Growing India.

6. Bas, T. M. (2009). Determinants of Capital Structure on Developing Countries.*JournalOf Finance*.

7. Oteh, a (2010), Marking Capital Markets in Africa.2010 Kikonyongo Capital Markets Awards. Kampala: Securities and Commission Exchange for Nigeria.

8. Acca, (2013), Connecting Capital Markets: Nairobi Securities Exchange growth enterprise Market Segment.

9. MadavanhuV, BinduS, Chigusiwa L, (2011), Determinants of Small and Medium Enterprises Failure in Zimbabwe: A Case Study of Bindura.

10. Ruzivo Trust, (2012) Fact sheet on Policy Influencing Project for Micro, Small and Medium Enterprises Sector.

11. Zimbabwe National Chamber of Commerce (2010), SMEs Secondary Securities Exchange.

12. Nigeria Stock Exchange, (2010), the Alternative Securities Market, a Guide to SMEs Listing.

13. London Stock Exchange, (2010), Alternative InvestmentMarket, a Guide to AIM.

14. Bernard, H. R. (2002). *Research Methodology in Anthropology: Qualitative and Quantitative Methods #rd Edition*. Wal Creek California: Altamira Press.

15. Clatwothy, M. (1998). The Characteristics of new equity Market for SMEs. *Journal of Smaii Business and Enterprise Development*.

16. Daily Nation. (2012, march 22). SMEs Face Uphill Task Getting Credit From BANKS. Nairobi, Nairobi, Kenya.

17. De Visscher, F.M., Aronoff, C.F. and Ward, J.L. (1995), Financing Transitions: Managing Capital and Liquidity in the Family Business, Family Business Leadership Series, Business Owner Resources, Marietta, GA.

18. Exchange, N. S. (2012). *Stock Performance List*. Nairobi: Nairobi Securities Exchange.

Fatoki, O. a. (2010). Which no SMEs have Access to Credit in South Africa. *International Journal of Business and Management*.

19. Hussey, j. a. (1997). *Business Research: A Practical Guide for Undergraduate and poat Graduate Students.* Basingstoke: Macmillamn.

20. Kothari, C. (2008). *Research Methodology: Methods and Techniques.* New Delhi: New Age International (P) Ltd.

21. Jensen, M.C. and Meckling, W.H. "Theory of the Firm: Managerial Behavior, Agency costs and Capital Structure, "Journal of Financial Economics, vol. 3, 1976, pp. 11-25

22. Jovenitti, P. (1998), StrategieMobiliari per la Continuita` e la Successioned'Impresa, EGEA, Milano.

23. ChowdriSiddartha H. (2004). "Downscaling Institutions and Competitive Microfinance Markets: Reflections and Case – Studies from

24. Latin America", August 2004 Edited by Alex Silva, Omtrix Inc., Commissioned by CALMEADOW

25. Conger, Lucy, (2003). "To Market, To Market", Microenterprise Americas. Inter American Development Bank.

26. Davidsson, P, Delmar, F, &Wiklund, J (Eds.), (2006). Entrepreneurship and the Growth of Firms. Edward Elgar Publishing, United Kingdom, England, Cheltenham

27. Delfiner, Miguel, Peron, Silvana, (2007). Commercial Banks and Microfinance, MPRA Paper 10229.

28. EU Commission, (2003). Recommendation 2003/361/EC, Official Journal L 124 of 20.05.2003.

29. Kosovo Agency of Statistics, (2011)."Statistical Report on Enterprises in Kosovo". Pristine: KAS.

30. Ghauri, P., Grønhaug, K. and Kristianslund, I., (1995). Research methods in business studies: A practical study. New York: Prentice Hall.

31. Hilary, R., (2000). Small and medium sized enterprises and the business environment. Greenleaf Publishing.

32. Heine, C. (2009). Has the financial crisis induced a credit crunch for small and medium sized companies? Grin Verlag.

33. InstitutiRiinvest, (2001). Financimiizhvillimitte NVM-ve. Pristine: InstitutiRiinvest.

34. Joanna Ledgerwood, (1999). Microfinance handbook: An institutional and financial perspective, Washington, D.C World Bank

35. Jethnani, H. (2010). Elite SME's defy recession odds. Retrieved from http://www.asiaone.com/Business/SME+Central/Prime+Movers/ Story/A1Story20100122-193700.html

36.Kaibori, S. (2001). Development of small and medium sized enterprises. Retrieved from http://www.esri.go.jp/en/tie/russia/russia7-e.pdf

37.Lind, P. (2005). "Competitiveness through increased Added Value: A Challenge for Developing Countries", Journal Comparative International Management, Vol. 8, No. 1, pp. 42-57.

38.Lind, P. (2009). "Innovation as a growth strategy for SMEs", lecture in SME Management in a global context, autumn 2009, 1 October,

39. Mauring, Frodeet all, (2007). Development &Transition.Kosovo Edition "Private Sector Development".

Nichter, S. and Goldmark, L., (2009). "Small Firm Growth in Developing Countries", World Development, Vol. 37, No. 9, pp. 1453–1464.

40. OSMEP, (2008). "Situation and Structural Indicators of SMEs in 2008 and 5-Year Changes", White Paper on SMEs 2008 and Trends 2009.

41. Poblete, L. &Grimsholm, E. (2010). Internal and external factors hampering SME growth. Master in International Management. Gotland University

42. Qeveria e Kosovës, (2011). "Strategjiapërzhvillimin e NMV-venëKosovë". Pristine: Qeveria e Kosovës

43.SBA, (2009). The small business economy.A report to the President. Retrieved from http://archive.sba.gov/advo/research/sb_econ 2009.pdf

44. Sha, S. (2005). An investigation into problems facing medium sized enterprises in achieving growth in the Eastern Cape. Retrieved from http://eprints.ru.ac.za/288/1/Sha-TR06-146.pdf

45. Shelagh Heffernan, (2005). Modern Banking, Wiley.Tax Administration of Kosovo (2011): Annual report of the SME.

46. The Independent, (2009). Small businesses, recession busters. Retrieved from http://www.independent.co.uk/news/business/sme/smallbusinesses-   recessionbusters-1817683.html

47. Koch, Timothy, W. and S. Scott MacDonald, (2008). Bank Management, South-Western College Pub, International Edition edition.

48. Boeh-Ocansey, O. (1996). *Strategies for strengthening small and medium sized industries in Ghana*. Accra: Anansesem Publications.

49. Carana Corporation Final Report. (1999). *Mid-term evaluation of the national strategy for the development and promotion of small business in South Africa*. Sl: Department of Trade and Industry, Government of the Republic of South Africa.

50. Chen, J. (2006). Development of Chinese small and medium-sized enterprises. *Journal of Small Business and Enterprise Development.* 13(2):140:147. Available: http://www.emeraldinsight.com/Insight/ViewContentServlet?Filename=Published/EmeraldFullTextArticle/Articles/2710130201.html [accessed 12th October 2006].

51.Chiware, E.R. & Dick, A. L. (2008).The use of ICTs in Namibia's SME sector to access business information services, The Electronic Library, Vol. 26, No. 2, pp: 145-157, available at http://www.emeraldinsight.com/Insight/ViewContentServlet?contentType=Article&Filename=Published/EmeraldFullTextArticle/Articles/2630260201.html, (accessed 28th January 2010).

52. Corps, M. (2005). *Information and communications technologies in small and medium enterprise development*. Available: www.globalenvision.org/library/7/698 [accessed 15th December 2005].

53. Daniels, L &Fisseha, Y. (1992). Micro and Small Scale Enterprises in Botswana: Results of a Nation-wide Survey. *Gemini Technical Report*, 46. Washington D.C: Development Alternatives Inc.

54. Daniels, L &Ngwira A. (1993). Results of a Nation-wide Survey on Micro, Small and Medium Enterprises in Malawi. *GEMINI Technical Report*, 53. New York: PACT Publications

55. Eurostat (2008). *Final Report – Information Society: ICT Impact Assessment by Linking Data from Different Sources*. Luxembourg.

56. Henriques, M. nd. *Business Development services for SMEs: Preliminary Guidelines for Donor-Funded interventions*. Washington: World Bank

57. Finnegan, G. (2000). Micro and small enterprise development & poverty alleviation in Thailand: Project ILO/UNDP. *Working Paper2*: ILO. Available: http://www.ilo.org/public/english/employment/ent/papers/thai2.htm [accessed 4th March 2005]. *Africa Research Bulletin: Economic, Financial and Technical Series, Vol.* 43, No.7,pp: 17035C-17036A. Available: http://www.blackwell-synergy.com/doi/full/10.1111/j.1467-6346.2006.00372.x?cookieSet=1 [accessed 11th October 2006].

58.Kasekende, L &Opondo, H. (2003). Financing small and medium-scale enterprises (SMEs): Uganda's experience. *BOU working paper*. Available:www.bou.or.ug/FINANCESMEs.pdf[accessed 15 December 2004].

59. Kayanula, D &Quartey P. (2000). The Policy environment for promoting small and medium-sized enterprises in Ghana and Malawi. *Working series paper*, 15. Manchester: Institute for Development Policy and Management, University of Manchester. Available: www.devinit.org/findev/Fd-wp15.doc [accessed 5th January 2006].

60. Kinnell, M, Feather, J, & Matthews, G. (1994). Business information provision for small and medium-sized enterprises in China: the application of marketing models. *Library Management*, Vol., 15, No.8, pp: 16-23. Available: http://www.emeraldinsight.com/Insight/ViewContentServlet?Filename=Published/EmeraldFullTextArticle/Articles/0150150802.html [accessed 1st September 2004].

61. Ladzani, W. (2001). Small business development in South Africa under the majority rule: *14th Annual Conference of Small Enterprise Association of Australia and New Zealand.*

Available: http://www.tsa.ac.za/corp/research/papers/wladzani2001small.doc [accessed 13th March 2006].

62. Moyi, E. (2000). *An analysis of the information-search process in micro and small manufacturing enterprises.* Available: http://www.ipar.or.ke/dp15.pdf [accessed 5th July 2005].

63. Neelameghan, A. (1992). *Information for small enterprises.* Bangalore: SaradaRanganathan Endowment for Library Science.

65. Okello-Obura, C., Minishi-Majanja, M.K, Cloete, L.M. &Ikoja-Odongo, J.R. (2008). Business activities and information needs of SMEs in northern Uganda: prerequisites for an information system. *Library Management*, Vol.4, No.5.

66. Okello-Obura, C., Minishi-Majanja, MK, Cloete, LM. &Ikoja-Odongo, J.R. (2008). Improving information use by SMEs in northern Uganda through ICTs, *MOUSAION*, Vol. 26, No.1, pp: 126-149.

67. Robson G & Gallagher C. (1993). The Job creation effects of small and large firm interaction. *International Small Business Journal*, 12: 23-37.

68. South Afica, Department of Trade and Industry (DTI). (1995). *The Presidents Conference in Small Business*, Centre for Small Business Promotion, Pretoria. Available: http://www.polity.org.za/html/govdocs/white_papers/smallbiz.html?rebookmark=1 [accessed 3rd June 2006].

69. Christopher J. Green, Peter Kimuyu, Ronny Manos,VictorMurinde (2007), How Do Small Firms in Developing Countries Raise Capital? Evidence from a Large-Scale
Survey of Kenyan Micro and Small-Scale Enterprises, in Mark Hirschey, Kose John, Anil K. Makhija (ed.) Issues in Corporate Governance and Finance (Advances in Financial Economics, Volume 12), Emerald Group Publishing Limited, pp.379-404.Establishment Census—Analytical Report (2011) Ministry of Trade and Industry, National Institute of Statistics of Rwanda, Ministry of Public Service and Labor and Private Sector Federation.

70. Felice B. Friedman and Claire Grose (2006). Promoting Access to Primary Equity Markets.

A Legal and Regulatory Approach. World Bank Policy Research Working Paper 3892, April 2006

71. The Global Competitiveness Report (2009/10). World Economic Forum, Geneva, Switzerland, 2009

72. Jae-Ha Park, Byung-Chul Lim, Jung-Han Koo (2008) Developing the Capital Market to Widen and Diversify SME Financing:The Korean Experience, Korea 73.Wagacha Mbui (2001). To List or Not to List: A Survey of Enterprise

Attitudes Towards Kenya's Capital Markets Discussion Paper No. 028/2001. July 2001. Institute of Policy Analysis and Research *Economy Report 2009: trends and outlook in turbulent times*. New York: United Nation

74. Zimbabwe Economics Society. (ZES) (2001). *Is the informal Sector the answer to Zimbabwe's economic and employment woes*? Keynote publication. Issue No 15. pp.1-7

75. AbuSamra, Nada AbdelSater and Norman D. Bishara (2006) *The Lebanese Code of Corporate Governance*. The Lebanese Transparency Association.

Harris, M., Raviv, A., 1991. The theory of capital structure. Journal of Finance 46, 297Ð355.

76. Akarro, R.J. (2009). Some factors associated with decisions by the various banks on the issuance of loans to the small/medium entrepreneurs in Tanzania. *International Research Journal of Finance and Economics,* 28, 86-97.

78. Barbosa, E.G., &Moraes, C.C. (2004). Determinants of the firm's capital structure: The case of the very small enterprises. [Online] Available: http://econpa.wustl.edu.8089/eps/fin/papers 0302/0302001.pdf (August 18,2007)

79. Daniel, O., Masli, E., Rahman, K., &Selvarajah, S.F. (2006). Determinant of capital structure in new ventures: evidence from Swedish longitudinal data. *Journal of Development Entrepreneurship,* 23, 204-231.

www.ccsenet.org/ijbm International Journal of Business and Management Vol. 5, No. 10; October 2010 *Published by Canadian Center of Science and Education* 135

80. Kauffman Foundation. (2007). The capital structure decisions of new firms. [Online] Available: http://www.kauffman.org (November 20, 2008).

81. Lyles, M.A., Saxton, T., & Watson, K. (2004). Venture Survival in a Transitional Economy. *Journal of Management*, 30, 351-375.

82. Martin, G., &Staines, H. (2008). Managerial competencies in small firm. [Online] Available: http://www.emraldinsight.com/insight/viewcontentitem.do?contenttype. (May17, 2009).

Modigliani, F., & Miller, M.H. (1963). Corporate income taxes and the cost of capital: A correction. *American Economic Review*, 53, 433-444.

83. Modigliani, F., & Miller, M.H. (1958). The cost of capital, corporation finance and the theory of investment. *American Economic Review*, 48, 261-295.

84. Ntsika Enterprise Promotion Agency. (2002). State of small business development in South Africa annual review. [Online] Available: http://www.ntsika.org.za/ (April 19, 2007).

Owualah, S.1. (2002). SMEs borrowing constraints and banking relationship in Japan. *Japan and the World Economy,* 14, 87-100.

85. Peacock, R.W. (2004). *Understanding small business: practice, theory and research*. (6th ed.) Adelaide: Scarman Publishing.

86. Pretorius, M., & Shaw, G. (2004). Business plan in bank-decision making when financing new ventures in South Africa. *South African Journal of Economics and Management Science,* 7, 221-242.

87. Raosoft. (2008). Sample size calculation [Online] Available: http://www.ezsurvey.com/samplesize.html (May 17, 2008).

Long, M.S., Malitz, E.B., 1985. Investment patterns and Þnancial leverage. In: Freidman, B. (Ed.), Corporate Capital Structures in the United States. University of Chicago Press, Chicago, IL.