DETERMINANTS OF THE GROWTH OF ZIMBABWEAN SMALL TO MEDIUM ENTERPRISES (SME)

BY

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A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER IN BUSINESS ADMINISTRATION

2015

GRADUATE SCHOOL OF MANAGEMENT
UNIVERSITY OF ZIMBABWE

Dedication

Dedicated to my beloved wife Tafadzwa and daughter Makanaka. Family and friends your advice, encouragement and support during the MBA programme most appreciated. May the Almighty God richly bless you.

Declaration

I, Joel Nerwande, do hereby declare that this dissertation is the result of my personal individual effort, study and research, except to the extent indicated in the acknowledgements and references and this work has never been submitted in part or in full for any other degree to any other university.

Student's Signature……Date……..

Supervisor's Signature……...Date……..

Acknowledgements

I want to express my great appreciation to my wife Tafadzwa for her invaluable encouragement, guidance and support with my dissertation. Without her support and encouragement this research would have not been a success.

Great appreciation goes to my supervisor Dr Mkumbuzi for taking his special time to review this dissertation and assisting me during the study. Great acknowledgement also goes to all the lecturers who took their time to coach and teach me at every stage of the dissertation.

Abstract

The study investigates the determinants of the growth of Zimbabwean SMEs. The research sought to establish the various factors which impacted on SME growth on the Zimbabwean context. Questionnaires were sent to SME employees, management and owners in Harare soliciting their input on the major factors impacting growth of their SMEs.

The findings in the study were presented in the form of graphs and charts.The research found out that access to finance, infrastructure, competition, technology, government support and management skills have influence on the growth of SMEs.

The study concluded that access to finance had the most positive significant influence on the growth of SMEs. The research further recommends that there should be further study to ascertain the effect of access to markets on SME growth.

List of Acronyms or Abbreviations

1. SMEs – Small to Medium Enterprises

2. GDP – Gross Domestic Product

3. GFC – Glenview Furniture Complex

4. SEDCO - Small Enterprise Development Corporation

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CHAPTER ONE

INTRODUCTION AND BACKGROUND

1.1 Introduction

The study will focus on the determinants of growth of Zimbabwean Small to Medium Enterprises (SMEs). The dissertation will explore and examine on the extent of the different challenges being faced by SMEs and their effect on growth. The SMEs growth determinants factors to be examined by the researcher include access to finance; access to big contacts, management capabilities of owner managers among others**.**The study shall dwell on both positive and the negative determining factors of growth; hence the factors that promote growth shall also be discussed.

The importance of Small to Medium Scale Enterprises in economic development and growth continues to be one of the top agenda items on economic policy planning, growth deliberations in both developed and developing economies (Ndlovu G, 2010). The small and medium enterprises are being considered as engines of economic growth worldwide and one of the most important roles of SMEs in this context includes poverty alleviation through job creation(Jastra, *et al*., 2011).

1.2 Background to the study

In the poorest countries, on average almost two thirds of workers are employed in very small (micro) enterprises—that is, enterprises with less than five employees—and the rest work for large enterprises with more than one hundred employees (Cull *et al* 2012). This essentially supports that in terms of economic development and employment SMEs play a very crucial role in developing nations.

The period between 2000 and 2008 saw a significant number of employees being retrenched due to the economic meltdown in Zimbabwe, (Government of Zimbabwe,

2003). This background saw a number of these retrenched employees starting their own businesses, hence the rise of Small to medium enterprises (SMEs) in Zimbabwe, (Government of Zimbabwe, 2003). Since then SMES have been contributing a lot to the national economy of Zimbabwe.

Although this have been the case a lot of these SMEs have remained small hence the need of the study to explore on the main challenges which is hampering their growth into the main streams of large corporate. The Zimbabwean system has grown so large after post independence which led to thousands of job seekers every year with little chance of finding work in a non performing industry and economy that saw 400 companies shutting down in 2000 and the small companies formed barely grow into large corporates (Kumbawa, 2015, June 12).

Over the years, informal business ventures which, in the 2014 Budget Statement, I referred to as the 'The New Economy 'have become a key source of productivity, growth and job creation in the economy – a development which facilitates distribution of economic activities and fostering equitable income distribution, "2014-Mid-Term-Fiscal-Policy-Review".

Government will continue supporting the formalisation of such business ventures, including measures to simplify the registration process of small business operations and maintenance of a database under the Office of the Registrar of Companies, "2014-Mid-Term-Fiscal-Policy-Review".

1.3 Research Problem

In the study by Kumbawa(2015, June 12) the poor economic performance has been attributed to lack of recapitalization and limited access to financing (hence the low capacity utilisation, liquidity crisis, weak consumer buying power due to low wages and high unemployment levels. However there are notable companies that seem to be

performing well under the same economic conditions while there are a sizeable number of entities that have failed to survive the difficult operating environment.

The closure of these large corporates has seen the coming up of SMEs. These SMEs have remained small to medium in terms of sales revenue, asset accumulation and staff compliment. The study therefore will investigate on the factors that have been inhibiting the growth of these SMEs. If determinants of SMEs development are tackled the Zimbabwean economy will boom benefiting the nation at large

1.4 Research Objectives

The objectives of this study are as follows:

i. To investigate the determinants of the growth of Zimbabwean SMEs into large corporates
ii. To explore measures which can be taken by the large corporates and the government of Zimbabwe to assist the SMEs to grow
iii. To determine and propose growth strategies to Zimbabwean SMEs
iv. To investigate the major challenges preventing Zimbabwean SMEs to grow

1.5 Research Questions

This dissertation will seek to answer the following research questions:

i. What are the determinants of the growth of Zimbabwean SMEs into large corporates?
ii. Are there any measures which being taken by the large corporates and the government of Zimbabwe to assist the SMEs to grow?
iii. What are the main growth strategies being pursued by Zimbabwean SMEs?

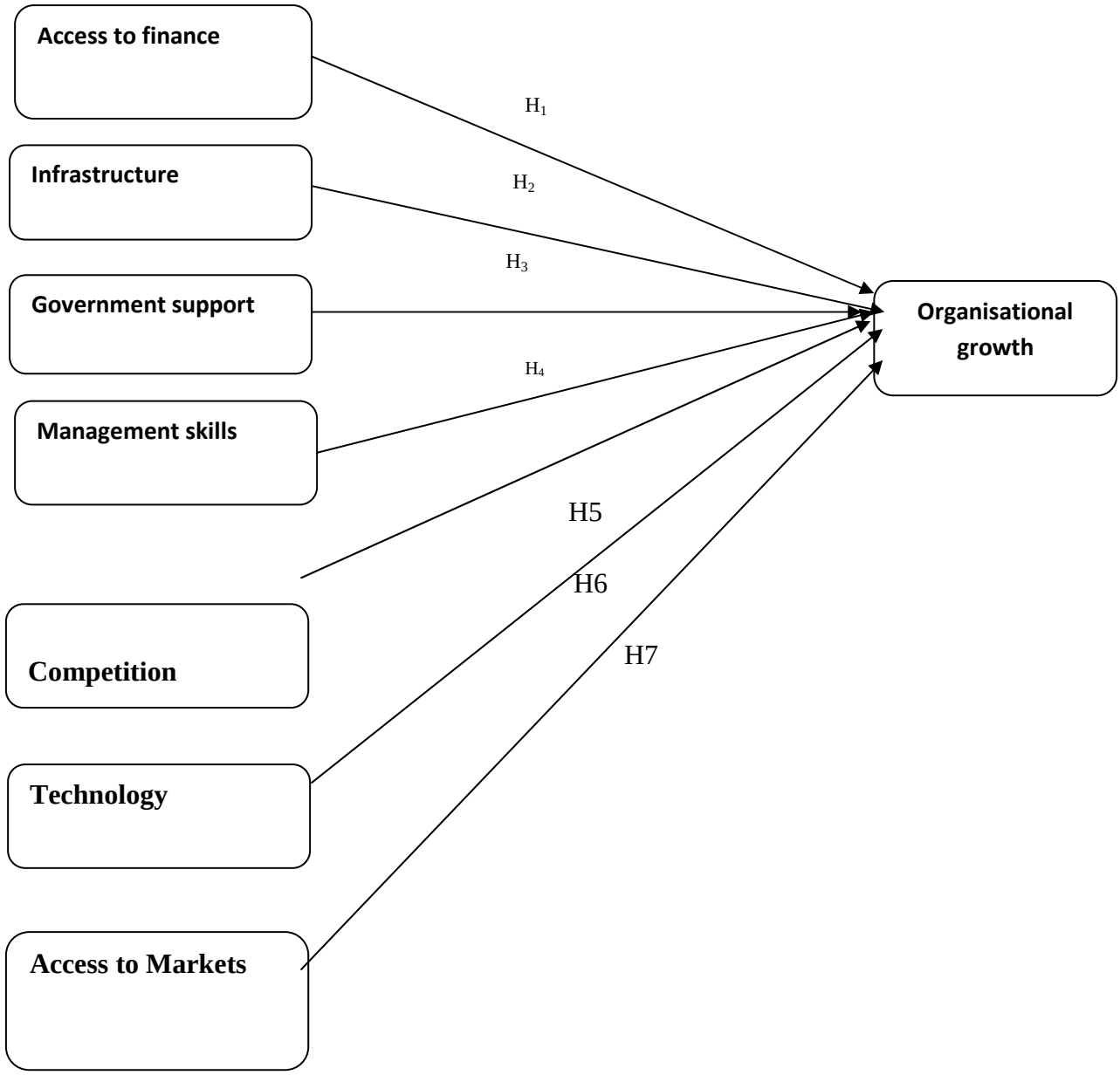
iv. Which are the major challenges preventing Zimbabwean SMEs from growing into large corporates?

1.6 Proposition

The SMEs growth inhibiting factors include access to finance, access to big contracts, and management capabilities of owner managers. These factors do affect the rate of growth of the SMEs into large corporates. Although the general environment in Zimbabwe is conducive for starting SMEs these challenges do inhibit growth.

1.7 Model and hypotheses development

Figure 1 Conceptual Framework



The conceptual framework is as adapted from Nkonge (2013), Jastra, Khan, Rehman, & R(2011)and Ngungi and Bwisa(2013).

1.8 Justification of Research

SMEs are an important source of Gross Domestic Product (GDP); they contribute immenselyto the provision of goods and services, employment generation, enhance competition and entrepreneurship (Chipangura and Kaseke, 2012). This is especially so in the case of Zimbabwe were most of the traditional large corporates are closing shop hence the significant rise of SMEs.

For academic purposes - The research will be used by current and future academics studying in the areas of SMEs hence it will make a contribution to existing body of knowledge in the area under study.In essence this study will enrich the existing research on SMEs especially in the Zimbabwean context.

For Commercial purposes - The research will be used by policy makers to address the main challenges which are being faced by the SMEs and this will help improve the financial contribution of the SMEs to treasury and help the Ministry of Small to Medium Enterprises to put in place measures which can assist the SMEs to grow.

The study will also help the current Zimbabwean and future SMEs specifically those with the intention to grow into large corporates.

1.9 Scope of Research

This research shall dwell on the major determinants of the growth of Zimbabwean SMEs into large corporates. The study focuses on SMEs in the Granitside industrial area, Southerton industrial area, Workington industrial area, Magaba complex and the Glenview 8 complex. The findings and recommendations will not be generalised for the entire SMEs community in Zimbabwe. This is because only SMEs in Harare were studied and the environments they operate in could be different from other areas in

Zimbabwe hence the study may not be generalised. The results will also be used by policy makers on SMEs related issues.

1.10 Dissertation Outline

Chapter one – Introduction and Background

This chapter introduces the whole dissertation to the reader. It includes the introduction, background of the study, research problem, research objectives, research questions, proposition, hypothesis, justification of the study, scope of research and then the dissertation outline and chapter summary.

Chapter Two - Literature Review

In this chapter theoretical literature determinants of the growth of Zimbabwean SMEs into large corporates will be reviewed with a bird's eye view to the global challenges inhibiting the development of SMEs. This chapter comes up with basis through which the research findings will be brought about. Literature Review is a summary of writings of academic authorities which provide evidence of what has already been studied or what is still to be researched in the specific subject(Arshad, *et al*,2010).

Chapter Three – Research Methodology

This chapter details how the research is carried out, coming up with data collection instruments, methods, data processing, analysis and presentation. The chapter presents the philosophies and paradigm to be followed in the research. The chapter also dwells on the sampling procedures and frameworks used by the researcher.

Chapter Four – Research findings and Analysis

Chapter four will basically be analyzing the findings from the research and discussion. Tools to be used in this chapter include bar charts, tables and graphs amongst others. The mentioned tools will be used to present all the research findings.

Chapter Five – Conclusion and Recommendations

This is the final chapter whereby the researcher will be giving concluding remarks and putting recommendations to the academic industry, the industry under study and the government.

Chapter Summary

Chapter one has the following sections:

1.0 Introduction,1.1 Background,1.2 Research Problem,1.3 Research Objectives,1.4 Research Questions, 1.5 Hypothesis and Proposition, 1.6 Justification of Research, 1.7 Scope of Research, 1.8 Dissertation Outline and 1.9 Chapter Summary. Chapter two then comes after chapter one which focuses on Literature Review

CHAPTER TWO

LITERATURE REVIEW

1.11 Introduction

Historically the development and growth of SMEs have seen its contribution to the global economy rising significantly. When combining the data for those countries for which reasonably good data are available, SMEs account for 52% of private sector value added, which provides a reasonable estimate for the sector's global economic contribution (ACCA 2010).

The contribution of SMEs to economic fundamentals nonetheless varies substantially across countries: from 16% of GDP in low-income countries (where the sector is typically large but informal) to 51% of GDP in high-income countries (R D'Imperio 2012).

1.12 Definitions

A small business can be defined qualitatively or quantitatively, qualitative classification defines SMEs in terms of ownership whereas defining it quantitatively is done according to number of employees, owner's equity, annual turnover or revenues and asset value (Beaver, 2002).

Small Enterprise Development Corporation (SEDCO) defines as, "Small to Medium Enterprise (SME) as a business with not more than 100 permanent employees", (SEDCO, 2011). According to SEDCO (2011), "small businesses are those employing less than 50 permanent employees and registered, medium businesses those employing less than 100 permanent employees and registered and micro businesses are those employing less than 5 employees and is not registered".

The main factors determining whether a company is an SME are:

1. Number of employees and
2. Either turnover or balance sheet total

Table 1: Company categories

Company category	**Employees**	**Turnover**	**Balance sheet total**
Medium-sized	< 250	≤ € 50 m	≤ € 43 m
Small	< 50	≤ € 10 m	≤ € 10 m
Micro	< 10	≤ € 2 m	≤ € 10 m

EU Commission 2003

Table 2: SME Grouping

Micro Enterprises	Micro Enterprises employ less than 10 employees
Small Enterprises	These employ 10 to 49 people
Medium Sized Enterprises	Employ less than 250 employees

(Adapted from European Union, 2003 Gamage, 2003)

The SMEs can be grouped or categorised in terms of turn over or the staff compliment. The bigger the staff compliment or the turnover the bigger the company is seen to be.

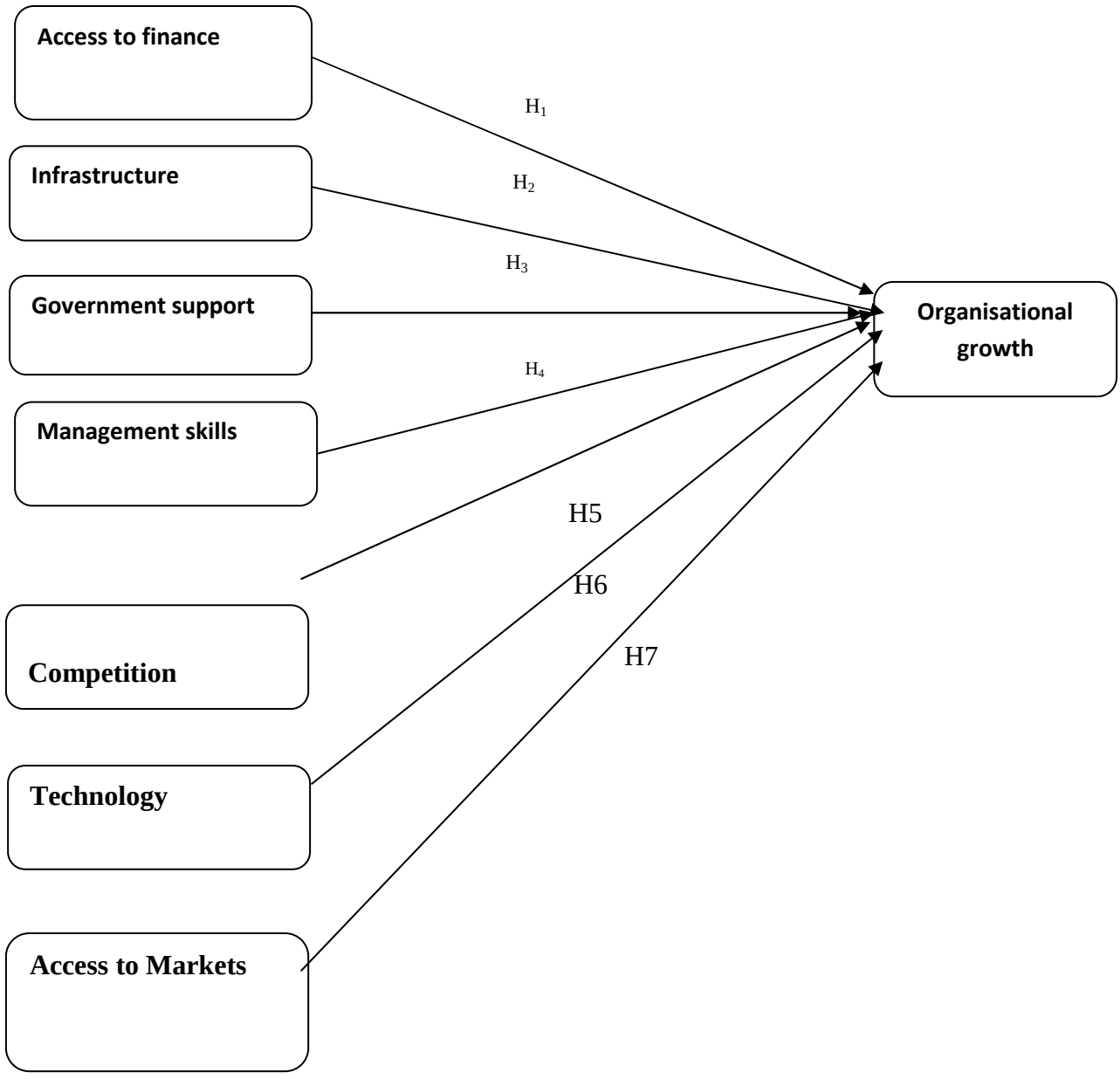
Table 3: Literature Review

Author(s)	Date	Dependent Variable	Independent Variable	Theory	Positive significant variable	Negative significant variable
Bowen	2012	Business Performance	Access to finance Competition Training		The more the finance available to a company the higher the growth Effective training lead to SME growth	Excessive competition negatively affects growth
Chidamoyo	2012	SME performance	Business environment Competition Customer service	Systems Theory	Conducive business environment increases growth Superior customer services improves SME growth	Stiff competition significantly reduced growth rates for SMEs
Chong	2008	Performance	Management Skills Infrastructure Government Support	Grounded Theory	Infrastructure development leads to the growth of SMEs Increased government support also increases SME performance	Poor management of the SMEs constraint the growth of the SME
Chipangura and Kaseke	2012	Growth	Infrastructure Managerial Capacity Access to finance Technology		Access to finance engineers the growth of SMEs Good managerial capacity positively affects the growth of SMEs Increased technology uptake increases the growth of SMEs	Excessive competition negatively affects growth Limited access to markets limits the growth of SMEs
Corman	2005	Growth	Capital Experience Education		Access to capital improves the growth of SMEs The more the business experience the higher the growth rate of SMEs	Limited education for the SMEs owners limits the growth of the SME
Fatoki and Odeyemi	2010	Growth	Access to credit Managerial capacity Business location		Access to credit enhances business growth Strategic location of the SME increases SME growth	Poor managerial capacity negatively affects SMEs
Manuere	2012	Business Performance	Infrastructure Technology Employee skills	Z-Score Model	Skilled employees yield high growth for SMEs High technology uptake leas to the growth of SMEs	Poor infrastructure limits the growth o SMEs
Mudavanhu	2011	Growth	Access to credit Competition Education		Access to credit enhances business growth Education for the SMEs owners positively affects the growth of the SMEs	Excessive competition negatively affects growth

Nkuah	2013	SME Growth	Access to finance Infrastructure		Infrastructure development leads to the growth of SMEs Access to finance engineers the growth of SMEs	
Mago and Toro	2013	Growth	Government support Access to finance	Structuralist Theory	Increased government support also increases SME performance Access to finance improves the growth of SMEs	Stiff competition significantly reduced growth rates for SMEs
Gombaruma	20114	Business Performance	Management Skills Competition Government Support	Ultimate Theory	Infrastructure development leads to the growth of SMEs Increased government support also increases SME performance	Limited access to finance negatively affects the growth of SMEs
Manyani	2014	Growth	Access to finance Infrastructure Technology		Infrastructure development leads to the growth of SMEs Access to finance engineers the growth of SMEs	Less use of technology limits the growth of SMEs
Maseko	2011	Business Performance	Access to credit Managerial capacity Business location		Access to credit enhances business growth Strategic location of the SME increases SME growth	Poor managerial capacity negatively affects SMEs
Ngugi and Bwisa	2013	Growth	Technology Infrastructure		Access to finance leads to the growth of SMEs Infrastructure development leads to the growth of SMEs	Limited use of technology limits the growth of SMEs
Nkonge	2013	Growth	Access to finance Information access Ethics		Access to finance improves the	Limited access to information limit the growth of SMEs growth of SMEs Disregarding business ethics

1.13 Conceptual Framework

Figure 2 Conceptual framework 2



The conceptual framework is as adapted from Nkonge (2013), Jastra*et al*(2011) and Ngugi & Bwisa (2013). All the three authors had business growth or business success as their dependent variable. In these journals growth was measured using turnover and profit.

Growth as indicated by business success was also cited by Jastra, Khan, Rehman, & R, (2011)as their dependent variable and the independent variables were financial resources, government support, information access and technological support. Consistent with the other views of researchers was Ngugi and Bwisa (2013), who also had growth of SMEs as the dependent variable and technology, access to finance, quality of product and availability of markets as the independent variables

Although Nkonge (2013)used business performance he was also consistent with the findings in other studies on SMEs with growth as the dependent variables and financial requirements, regulatory framework and information access as the independent variables. In the study by Gumbo (2013) microfinance institutions and urban housing in Addis Ababa: challenges and prospects for sustainable poverty alleviation, (2010), focuses on the performance of micro finance institutions (MFIs) in sustainable housing poverty reduction for the majority urban poor in Addis Ababa, the capital city of Ethiopia. Performance in this case was used to measure growth.

1.14 Theoretical Discussion

This topic shall be dwelling on the theories used in the journals used by the researcher during literature review.

Many different theories have attempted to identify the main factors underlying firm growth (Miroslav and Yanko, 2013). They can be divided into two main schools: the

first addresses the influence of firm size and age on growth, while the second deals with the influence of variables such as strategy, organization and the characteristics of the firm's owners/managers(Miroslav and Yanko, 2013). In line with previous research, found that firm size as measured by its total assets tends to increase sales revenues and at the same time, the growth in the number of employees in these firms shows a marginal impact on their growth in assets(Miroslav and Yanko, 2013).

The model used byMudavanhu *et al (*2011) proved that most empirical studies on failure of SMEs use the change in return on investment (ROI) to infer viability of SMEs. According to Mudavanhu *et al (*2011)persistent negative changes will result in eventual collapse of the entity since they do not have a solid financial base to continue shielding the losses. Thus the study shall adopt the change in ROI as a measure of SME failure, taking account of the different ROI of the companies under study as a model to measure organisational growth(Mudavanhu *et al,* 2011). The results also show that unavailability of credit is another significant cause of SME failure(Mudavanhu *et al,* 2011). This is consistent with the theory of technological capabilities which states that SMEs fail because of lack of finance to use both as working capital and for investment in state of the art technology which enables them to withstand competition from bigger firms(Mudavanhu *et al,* 2011).

The study by Chidamoyo and Dumbu(2012)is founded and engrossed in the Systems Theory. In their study Gartenstein (2012) defines the systems theory as an integrated whole comprising of interconnected parts. According to Brammer*et al* (2011), "the systems theory transforms these inputs and release outputs back into the environment". The outcome obtained from the inputs determines the output and the behavior to come from customers who finally consume the products. The main principle found in the systems theory is that the whole is more than the sum of its parts (Polese, 2010).

The study by Bunyaminu and Bashiru (2014) used the post Z-Score Model Development prior to the development of business failure prediction models or techniques, agencies such as Dun and Bradstreet were established to supply a qualitative type of information assessing the credit-worthiness of particular merchants (Altman 1968).Business failure prediction has been a subject of formal quantitative analysis since 1932 when (Fitzpatrick 1932) compared ratios of successful industrial enterprises with those of failed firms and these were matched according to date, size and industry. The Z-Score model was adopted in the research because they are performance measures hence suitable for the study which seeks to investigate the determinants of growth.

The study by Kumah, Rajan and Zingalese (1999) used technological theories and organisational theories in their research. Since Adam Smith (1776) economists have studied the size of the market as a determinant of the extent of specialisation, and indirectly the size of the firm. Predictions have, however, been conicting; for instance, (Becker and Murphy 1992) question the conventional wisdom that specialisation is limited by the size of the market and argue that coordination costs pose, greater limits. In `Contracting Cost' theories the contracts in a firm are no different from contracts in the market place, and thus these theories are silent on whether improvements in contractibility have any election on the size of firms (Kumah, Rajan and Zingalese, 1999).

The study by Chong (2008) used grounded theory as the underlying theory. The theory reinforces the need to ensure that information is gathered while preserving the actual settings. In their study Tomkins and Groves (1983) suggest that “collecting information using case studies and interviews fulfill the principles of the theory on non-disturbance of the settings”. The study assist researchers to understand how the owner-managers measure performance and the grounded theory helps in setting the process of extensive in-depth semi-structured interviews and observations while maintaining the natural settings of the business processes(Chong, 2008).

In the Passive Learning Model (PLM) Jovanic(1982) cited in Agaje (2004) a firm enters a market without knowing its own potential growth (Ahiaodzi and Thomas, 2012). Stochastic and Deterministic theories were used by Ahiaodzi and Thomas(2012). The other set of growth theories of firms include the Stochastic and Deterministic Approaches. “The stochastic model, argues that all changes in size are due to chance, thus, the size and age of firms has no effect on the growth of SMEs” (Ahiaodzi and Thomas, 2012).

This research is based on the active learning model of Erickson and Pakes(2005) which states that a firm explores the social and the economic environment actively then invest in the economy to enhance its growth under competitive pressure from both within and outside the firm. “The potential and actual growth changes over time in response to the outcomes of the firm’s own investment and those of other factors in the same market”(Angwu and Emeti, 2010).

The Z-Score and the Ultimate models were adopted in the study because they are performance measures hence suitable for the study which seeks to investigate the determinants of growth for Zimbabwean SMEs.

1.15 DEPENDENT VARIABLE

1.15.1 SME Growth

Organisational growth was cited as the dependent variable in most of the studies used during literature review by the researcher. Studies on SMEs done in Zimbabwe, South Africa, Ghana, Nigeria, Botswana, Mozambique amongst other African and other continents revealed growth as the most common dependent variable. All the journals had business growth as their dependent variable. Growth was measured using turnover and profit in most of these studies.

The study by Chipangura and Kaseke(2012) concluded that the main determinants constraining the growth of SMEs at GFC are: limited access to markets, limited access to finance, limited access to infrastructure, competition, social factors like HIV and AIDS and little access to technology.All the listed factors affect SME growth though in different capacities(Chipangura and Kaseke,2012). The views of Mudavandu *et al (*2011)in their journal, "Determinants of small and medium enterprises failure in Zimbabwe: A case study of Bindura", the growth of (SMEs) is a critical ingredient in the sustainable development of developing economies, concurring with other researchers.

In their study Gombarume and Mavhundutse(2014) sought to assess the challenges faced by Small to Medium scale Enterprises (SMEs) in Chitungwiza, Zimbabwe using data from 2010-2012 period. They cited performance as the dependent variable. Performance in the study was used as a growth indicator for SMEs showing some consistency with other researchers on SMEs in Zimbabwe and abroad, (Gombarume and Mavhundutse, 2014).Eighty nine percent of businesses that participated in this research are faced with various challenges, which if not managed well can lead to business failure (Bowen, Makarius, and Samuel, 2012). It is the researchers 'view that the seeds of future business performance are sown in the early stages of the business life and that understanding them has a predictive value(Bowen, Makarius, and Samuel, 2012).

SMEs play a very crucial role in the growth and development of the Ghanaian economy, however, their level of growth is often hampered by the limited access to finance(Abor and Biekpe, 2006). "This paper sets out to investigate the awareness and use of the various financing schemes (quasi-commercial credit) available to the Ghanaian SME sector" (Abor and Biekpe, 2006).With growth as the dependent variable the study investigates the challenges and opportunities of the local industries involved in the fabrication of agro-related machinery in Nigeria(Omobowa, 2010).In

his study Chong (2008) used performance as the dependent variable and the performance was measured using turnover and profit.

All the studies discussed above concur on the use of growth as their dependent variable although some measured it using profit and others turnover. All the attributes which measures performance were used in the studies.

1.16 INDEPENDENT VARIABLES

The literature studied by the researcher had numerous independent variables and the most common once were chosen and discussed below. Access to finance, infrastructure, management skills, technology, access to markets, technology and competition are the variables which are used during the study.

1.16.1 Access to finance

Access to finance is the ability of individuals or companies to obtain financial services (Cole, 2012). Types of finances available to SMEs include loans which can be short term or long term and bank overdraft.

“Access to finance has been identified as a dominant constraint facing the Ghanaian Small and Medium Enterprises (SME) sector” (Abor and Biekpe, 2006). “This study examines how the finance gap for SMEs might be addressed by means of policies to support other financing initiatives other than commercial finance by the conventional financial institutions” (Abor and Biekpe, 2006).

The results of the research show that low awareness and usage levels of the various financing initiatives among SMEs and most of the schemes are perceived as difficult to access(Abor and Biekpe, 2006). In their study Gombarume and

Mavhundutse(2014) concurs with the responses indicating that SMEs were getting little financial assistance from financial institutions.

The study offers exploratory insights into the level of loan delinquency among the small and medium enterprises (SMEs)in Ondo State of Nigeria, and the lending practices of the country's bankers towards the SMEs(Obamuyi, 2007). Donor agencies and government departments are the ones involved in the promotion of SMEs in Nigeria and access to credit continues to pose a major problem to SMEs sector in Nigeria since most of the conventional financial institutions have not been able to meet their credit needs (Adegbemi*et al*, 2013).

According to Fatoki and Odeyemi(2010), the results indicate that collateral, managerial competency (especially high education and related experience), business plan, relationships with banks and the location of the business are important determinants of access to bank credit by new SMEs.The problem of access to finance was also highlighted by the study by(Jastra*et al*, 2011) who find that financial resources are the most important factor that affects the SMEs success hence financial resources are the key factor on which whole business is depending upon.

In South Africa, SMEs operate in the same environment as their larger counterparts, but without the associated benefits such as adequate capital and extended human resources of the larger organisations (Smit and Watkins, 2012). Therefore although these enterprises operate under the same environments the growth of SMEs is hampered by lack of access to finances (Smit and Watkins, 2012).

Access to credit is crucial for the growth and survival of Small and Medium-sized Enterprises (SMEs) and thus policy makers attempt to pursue financial sector policies to propel financial intermediaries to extend more credit to SMEs(Nkuah, 2013). Accessibility of loans and other credit facilities tends to pose a major problem to SMEs sector in Nigeria since the conventional financial institutions have not been

able to meet their credit needs (Adegbemi, etal, 2013). “Access to capital or finance is necessary but not a sufficient condition for successful entrepreneurial development”, (Adegbemi, *etal*, 2013).

Small and Medium Scale Enterprises play an important role in the Economic Development of both developed and developing nations and Ghana is no exception with SMEs providing about 85% of employment in manufacturing sector, believed to contribute to about 70% to GDP and account for about 92% of businesses in Ghana, (Ahiaodzi and Thomas , 2012). However, the SMEs are confronted with challenges of credit accessibility for their expansion and growth (Ahiaodzi and Thomas , 2012).

Large and micro loans are available for businesses, but there is little in the way of medium-sized loans for growth-oriented SMEs (Bowen *et al*, 2012).There is a need to “fill the gap in the middle” in terms of accessing finance so that the SMEs can also grow into large enterprises (Bowen *etal,* 2012). The challenges faced by SMEs to access funds are, lack of knowledge of finances providers, lack of securable assets, stringent eligibility criteria, bureaucracy and lack of knowledge about lending criteria (Abor, 2006).

The results also show that unavailability of credit is another significant cause of SME failure (Mudavanhu *et al*, 2011*).* This is consistent with the theory of technological capabilities which states that SMEs fail because of lack of finance to use both as working capital and for investment in state of the art technology which enables them to withstand competition from bigger firms (Mudavanhu *et al*, 2011*).*

All the research discussed above has shown that most small firms are affected by limited access to finance. The theory of technological capabilities will be used in the study to determine if SMEs fail because of lack of finance. It can therefore be

concluded that Access to finance is a significant positive explanatory factor in the variation of SMEs growth.

1.16.2 Infrastructure

The term infrastructure refers to the substructure or underlying foundation or network used for providing goods and services; especially the basic installations and facilities on which the continuance and growth of a community, examples include roads, water systems, communications facilities, sewers, sidewalks, cable, wiring, schools, power plants, and transportation and communication systems, (American Reinvestment and Recovery Act (ARRA), 2006).According to Khondaker (2006).According to (Khondaker, 2006),the multidimensional problems and challenges that SMEs of Bangladesh face need not only budgetary support, but also need necessary improvement in the administration, infrastructure among other factors.

The findings reveal that even though there has been some level of improvement in some areas of operation in the industry, there still exist myriads of problems in terms of infrastructure and technological advancements confronting these small and medium scale enterprises in Nigeria(Omobowa, 2010). These views are concurring with other prior studies that poor infrastructure limit the growth of SMEs.

The findings of the research by Angwu and Emeti(2010)are that inadequate social infrastructures constitute a major challenge in the performance of SMEs in Port-Harcourt City.In order to support infrastructural development and requirements in respect of SMEs at GFC, the government of Zimbabwe by all means should lobby with the local authorities to allocate and develop enough land for the SMEs. This will give all the SME at GFC an opportunity to acquire land which is enough and sufficient for their business operations (Chipangura and Kaseke, 2012).

All the studies reviewed are consistent in that poor infrastructure has a negative effect on firm growth. Therefore infrastructure has a strong positive effect on the growth of SMEs

1.16.3 Government Support

Government support can be in the form of collateral on behalf of SMEs by the government, policy regulating that tenders are subcontracted to SMEs (Chidamoyo and Dumbu 2012). “In order to ascertain the potential role of government policy to support other financing initiatives, it is imperative to determine the use and awareness of the various financing sources available to the SME sector and also to investigate issues that are of importance to SME financing”, (Jastra*et al*, 2011).Due to less Government financial support to entrepreneurs in Pakistan are facing a lot of problems since it is difficult for them to access to loans (Jastra*et al*, 2011).

The meaningful growth and development of SMEs and its effective promotion have not been approached seriously in Nigeria hence, the lack of their impact in the economy(Adegbemi, etal, 2013).Various government institutions in Nigeria have implemented various programs aimed at developing SMEs sector.In Nigeria a specific initiative is the offer for government backed loans but most of the programs were not given the appropriate backing and as such the impact of the programs could not be felt in the economy (Adegbemi, *etal*, 2013).

The study by Manyani(2014)found out that most banks and credit institutions have stringent requirements when SMEs especially new start-up firms in Zimbabwe want to borrow from them, primarily in the form of collaterals or financial record and statements. “To address the issue of borrowing constraints the government should act as a guarantee to banks and credit institutions for new SMEs that is by making an undertaking to pay the banks in the event of the SMEs failing to pay back”, (Manyani, 2014). In Bindura SME owners and the government of Zimbabwe must form more direct partnerships to improve the entrepreneurial skill levels in the sector (Manyani, 2014).

It can therefore be concluded that government support has significant positive influence in the growth of SMEs.

1.16.4 Management skills

Management skills consist of identifiable sets of actions that individuals perform and that lead to certain outcomes (Chong, 2008).The study revealed that there is management deficiency in the SMEs which results in their collapse mainly due to poor decision making (Gombaruma and Mavhundutse, 2014). Another problem confronting SMEs in Nigeria is managerial capacity(Adegbemi, etal, 2013).

The study by Mudavanhu*et al*(2011) showed results which reported that the challenges faced by SMEs in different industries tend to be heterogeneous as expected. However, some challenges tended to be universal. Lack of management skills negatively affected sixty percent of the firms under the study in all industries(Mudavanhu*et al*, 2011).

In their study Manuere, Edison and Kudakwashe(2012) concluded that external and internal barriers predominantly point to the lack of skills and a lack of awareness. Therefore, it is crucial that the owner manager is trained and educated in order to overcome these barriers (Manuere, Edison and Kudakwashe, 2012). Education and training is viewed as one of the most important factors needed to address the lack of readiness of SMEs in adopting and developing their electronic business capabilities (Chau, 2001).

The study by Msipah*et al*(2012) found out that from the management interview guide, 85% of this group did not receive any training whilst 14 % had certificates and 1% had Diplomas in their areas of business. Management also indicated that the levels of entrepreneurial skills in their employees vary from average to very low. This concurs with findings from the employee analysis which revealed that 67% of the employees

in the artisanal engineering SMEs had not received any form of training in any of the areas under study (Msipah*et al,* 2012).

In their study Bowen, Makarius and Samuel(2012) found that training of SMEs management was a very critical success factor especially in the early stages of the SMEs development. Contrary to the generally believed notion or assumption, this research found out that access to finance or capital is not the greatest problem facing SMEs in Nigeria. The biggest challenge confronting SMEs in Nigeria is managerial capacity which is measured by the effectiveness of the leadership by owner-managers (Onugu, 2005).

The findings generally suggest that there is an acute global shortage of high skilled and hands-on personnel necessary for steering the emerging digital economy for SMEs in Botswana (Carol and Ongori, 2013).

The study by Chidamoyo and Dumbu (2012) revealed that although owner-managers in SMEs often possess the eagerness and drive for business the lack formal management training in running these businesses often then contribute to the failure of their businesses.

The greatest and crucial challenge faced by SMEs in Masvingo urban which inhibits their performance is the lack of financial managerial skills which leads to misuse of finance by SMEs (Chidamoyo and Dumbu, 2012). A large number of the owner-managers of the SMEs are not well versed with issues related to money management (Chidamoyo and Dumbu, 2012).

The study revealed that there is management deficiency in the SMEs which results in their collapse mainly due to poor decision making (Gombaruma and Mavhundutse, 2014).

The conclusion from the studies shows that management skills is a strong positive influence as an explanatory factor to business performance.

1.16.5 Competition

Competition is rivalry in which every seller tries to get what other sellers are seeking at the same time: sales, profit, and market share by offering the best practicablecombination of price, quality, and service (Corman, 2005).

Competition is one of the factors affecting the growth of SMEs Bowen *et al*(2012). In their study, (Bowen *et al*, 2012) found out that due to the size of SMEs it was difficult for them to compete against the large companies in Kenya. According to (Fatoki and Odeyemi, 2010), although small and medium enterprises (SMEs) are increasingly seen as playing an important role in the economies of many countries competition has been found to be the main challenge for SMEs in South Africa.

According to Chidamoyo and Dumbu (2012) competition has a strong negative influence on the performance and growth of SMEs. Where competition is stiff and intense growth of SMEs is hampered whereas when competition is less intense SMEs growth is accelerated.

1.16.6 Technology

The findings reveal that even though there has been some level of improvement in some areas of operation in the industry, there still exist myriads of problems in terms of infrastructure and technological advancements confronting these small and medium scale enterprises in Nigerian Agro-Allied Machine Fabrication Industry (Omobowa, 2010). The use of internet, computers and accounting software are some of the technological advancements which enhance SMEs growth.

The SMEs that participated in this study acknowledged that they faced various challenges that affect their attempts to join globalization and be competitive and chief amongst them is technology (Ocloo and Akaba, 2014).

The government of Zimbabwe should enhance networks and communication between SMEs and technology providers and facilitate joint ventures aimed at enhancing technology upgrading and transfer(Chipangura and Kaseke, 2012). SMEs may also get help from organisations that offer assistance in their field of work; such organisations are United Nations Development Organisation (UNIDO) which offers assistance in furniture and metal fabrication. The SMEs can also seek assistance from local institutions such as the Scientific and industrial Research and Development Centre (SIRDC)(Chipangura and Kaseke, 2012).

According to Ngugi and Bwisa(2013)results on technology use by the SMEs confirmed that they were using obsolete and inefficient technology thus adversely affecting the development of SMEs. They were not were also not computer compliant confirming the objective of the study (Ngugi and Bwisa, 2013).

Results on technology use by the OVOP groups confirmed that they were using obsolete and inefficient technology thus adversely affecting the development of group owned OVOP SMEs, (Ngugi and Bwisa, 2013). They were also not computer compliant confirming the objective of the study (Ngugi and Bwisa, 2013).

Technology has a significant positive influence on the growth of SMEs. It is therefore imperative for technology advancement for SMEs growth.

1.16.7 Access to Market

Access to market is the openness of a country'smarkets to foreign goods and services, it access reflects the government's economic policiesregardingimport substitution and freecompetition, (http://www.businessdictionary.com/definition/market-access.html).

The impediments to SME success are numerous and varied, but poor market access has been found to be the most prevalent industry-related problem which lead to the entrepreneur's inability to understand market expectations, and economy-based obstacles such as interest rate fluctuations (Smit and Watkins, 2012).

A number of issues emerged concerning the difficulties that SMEs face in obtaining information about new market opportunities and market entry requirements, especially for export markets, where they increasingly face the economic impact of global competition (Bowen etal, 2012). Group owned OVOP SMEs' growth was influenced by the availability of markets. Markets are available for good quality products which had a positive effect on marketing of their products (Ngugi and Bwisa, 2013).

The major finding of the research by Angwu and Emeti (2010) is that inadequate social infrastructures constitute a major challenge in the performance of SMEs in Port-Harcourt City. Therefore access to markets has significant positive influence on the growth of SMEs.

1.17 Chapter Conclusion

The chapter reviewed on determinants of the growth of SMEs. The SME definition was given and explained. The literature reviewed covered local, regional and international research studies. The significance of SMEs to developed and underdeveloped nations was also reviewed. The next chapter will outline on the Research Methodology of the study.

CHAPTER THREE

RESEARCH METHODOLOGY

1.18 Introduction

In this chapter the author presents and motivate the choice of method and how the researcher conducted this study. The researcher also explains the choice of theoretical framework and discuss why those particular theories were chosen. Each method used shall be justified with examples from literature. This chapter also known as the research framework will describe the research methodology, applied in the study.

There are generally two types of research namely quantitative and qualitative research. This research study employed the quantitative research approach. Therefore, the methodology employed sought to help the researcher achieve the objectives of the research study.

The quantitative approach makes use of hypothetic deductive reasoning and data primarily focuses on numbers and frequencies rather than on meanings and experiences. It assumes that the phenomenon under study can be measured (Zelealem and Pansir, 2005). Saunders *etal*(2007) are of the view that the quantitative approach is more objective and reliable as it is based on objective measurements and relevant theories that can also be tested.

The choice of quantitative research methodology was arrived at after thoroughly ascertaining its ability to assist in answering the research questions that are presented in chapter One

1.19 Research Design

According to Burns and Grove (2003:195) a research design is defined as “a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings”. Paratoo(2007) describes a research design as “a plan that describes how, when andwhere data are to be collected and analysed”.

According to Nachmiasand Nachmias(1998) a research design refers to the way in which researchers plan and structures a research process. The research is in the form of a descriptive Study.The Research designs available are the qualitative research, exploratory research and the descriptive research.

Descriptive research is designed to provide a picture of a situation as it naturally happens (Burns and Grove, 2003). It tries to describe the characteristics of the respondents in relation to a particular product or practice or culture of importance (Panneerselvam, 2004). Descriptive study is a conclusive research and it is carried out with an objective, it test the hypotheses of a research problem formulated by exploratory research and draws definite conclusion(s) for implementation (Panneerselvan, 2009).

This study will therefore be about finding out the main challenges facing the Zimbabwean SMEs hence the use of a descriptive study. The study aims at being conclusive in coming up with challenges and then the recommendations to the SMEs.In their study Chidamoyo and Dumbu(2012) used a descriptive qualitative design. Thus the researchers in this study had to choose this method as it allowed entrepreneurs to say exactly what they felt about strategies for surviving the intense competition that has characterised the SME industry.

In his study (Nyang'ori, 2010) used a descriptive study that was concerned with finding out factors influencing the performance of SMEs in Kisumu City. BunyaminuandBashiru(2014), the study uses quantitative data comprising 50 failed

and 50 non-failed listed companies on the London Stock Exchange (LSE) for both Main Market and the Alternative Investment market (AIM).

The study adopted a descriptive research design using a survey,(Ngugi and Bwisa, 2013). This design determined and reported the way things are and attempted to describe such things as possible behaviour, attitudes, values and characteristics (MugendaandMugenda, 2003).

Due to the arguments propelled above the study used aexplanatory research design as it aims to conclusively investigate on the determinants of the growth of SMEs in Zimbabwe.

1.20 Research Philosophy

Research Philosophy is the beliefs and assumptions about the way in which you view the world (Khotari, 2004). Ontological and epistemological assumptions form the basis of Research Philosophy (Blaikie, 2003). In his study Blaikie(2003) describes the root definition of ontology as "the science or study of being and develops this description for the social sciences to encompass 'claims about what exists, what it looks like, what units make it up and how these units interact with each other". Epistemology on the other hand then considers views about the most appropriate ways of enquiring into the nature of the world (Smith, Thorpe and Jackson, 2008)

The research paradigms are positivist, interpretivist and realist. The study shall follow a positivist paradigm. Positivism is based upon values of reason, validity and truth, there is a focus purely on facts gathered through direct observations and experience which is then measured using quantitative methods – surveys and experiments - and statistical analysis (Saunders, 2006).

The study employed a causal design which aimed at accessing credit on one side and its effect on growth of SMEs (Ahiaodzi and Thomas, 2012). The study used both primary and secondary data, data collected for a specific purpose are known as primary data(Ahiaodzi & Thomas, 2012).

Below are some of the reasons why the researcher chose the positivist approach:

- Positivists claim there is a single, objective reality that can be observed and measured without bias using standardized instruments - questionnaire
- The study sought to be conclusive and come with objective results
- For the positivists, the goal is a universal truth, a rule or explanation that is always true so long as specified conditions hold

1.21 Research Strategy

Research strategy has been defined as the deliberately planned "arrangement of conditions for analysis and collection of data in a manner that aims to combine relevance to the research purpose with economy procedure" (Selltiz, Wrightsman and Cook, 1981).

Table 4: Descriptors of Research Strategy

Category	Options
The degree to which the research question has been crystallized	• Exploratory • Formal study
The method of data collection	• Monitoring • Interrogation/ communication
The power of researcher to produce effects in the variables under study	• Experimental • Ex post facto
The purpose of the study	• Descriptive • Causal
The time dimension	• Cross sectional • Longitudinal
The Topical scope-breadth and depth of the study	• Case Study • Survey • Statistical study
The research environment	• Field setting • Laboratory research • Simulation
The subjects perception of research activity	• Actual routine • Modified routine

Source: Cooper and Shindler, 2001:135

The choice of research strategy therefore follows consideration of relevance of each of the possible strategy to the objectives of the study, as well as the setting in which the study has been conducted (Cooper and Schindler, 2001). The study used a survey as research strategy.

According to Tobin (2006), surveys as a systematic research method of gathering primary data through the use of structured questionnaires to a reasonably large number and highly representative sample of respondents.

In their study Chipangura and Kaseke(2012) made use of the survey method. “Since this study is about the SMEs owner/managers views about the factors constraining the growth of their businesses, a survey method enabled the researchers to obtain views from a large group of people at one point in time through the questionnaire” (Chipangura and Kaseke, 2012).In the study by (Corman, 2005)used a survey study as the methodology to determine the reasons business fail in New England, the authors developed a questionnaire to collect the data.

The study by Manuere, Edison and Kudakwashe(2012) was conducted in two important stages; i.e. preliminary pilot study, and then a questionnaire and interviews with SME intermediary organisation were used for collecting data. The preliminary pilot interviews with 10 SMEs in Zvimba district conducted by Manuere, Edison and Kudakwashe(2012) provided direction to what barriers are imperative to the SMEs.

The research was conducted in the form of a survey research strategy. The study research strategy attempted to document conditions and attitudes that existed when the study was carried out using interviews and questionnaires (Manyani, 2014).In their study Maseko and Manyani(2011) used the survey method. As widely accepted,

the survey method is a fact-finding study that involves adequate and accurate interpretation of findings (Cooper and Schindler, 2003).

A survey was used for this study and the target group was SMEs in the engineering sectors such as mining, machine shops and fabrication in the Mashonaland West Province (Msipah*et al*, 2013). The sample chosen was based on information of registered artisanal engineers obtained from the Ministry of Small and Medium Enterprises.

"The survey was carried out based using a database of the National Board for Small Scale Industries and that of the Association of Ghana Industries", (Abor and Biekpe, 2006).The study used survey research methodology as it was helpful in indicating trends in attitudes and behaviours and enable generalisation of the findings of the research study to be done (Kuterand and Yilmaz, 2001).

The study applied cross sectional survey design because it gathers large data in a particular time and one can make generalizations about the outcomes as it moves from general to specific, (An Assessment of Challenges faced by Microenterprises in Botswana: A case of, 2013).

1.22 Reasons why the researcher choose a survey strategy

- The researcher used a survey research strategy as it is fact finding that involves adequate and accurate interpretation of findings.
- A survey was also chosen for the study since it allows for the gathering of huge quantities of data which can then be used to come up with conclusive results.

1.23 POPULATION AND SAMPLING

1.23.1 Population

Wagener andBabie(2003) define population as the aggregate of the individual units of the analysis from which a survey sample will be derived. This refers to the group of people that one wishes to research on.

In their study Sekyi and Nkebe(2014), the target population involved 500 registered SMEs in the Wa Municipality, these cut across trading activities (buying and selling of goods), manufacturing activities and services. A representative sample size of 200 entrepreneurs was randomly selected using the simple random sampling technique (Sekyi and Nkebe, 2014).

The survey method allowed for more variables to be studied at one time and in their study (Chipangura and Kaseke, 2012) used a population that consisted of 480 SMEs at Glenview Furniture Complex. In this case the researcher researched on a population of all the SMEs in Harare in targeting 140 SMEs participants. The population of Harare SMEs was also chosen because most of the SMEs are located in Harare compared to other regions and towns in Zimbabwe.

1.23.2 Sampling

“The rationale behind sampling is that by selecting a representative population, the researcher may draw conclusions about the whole population”, (Cooper and Schindler, 2001).Among other reasons, sampling is necessary because it cuts costs, reduces labour requirements and gathers vital information quickly(Cooper and Schindler, 2001).

Kothari(2004) noted that for a researcher to come up with an effective questionnaire there is need to pre-test the questionnaire before finalizing on it. The researcher pre-tested the questionnaire by carrying out a preliminary testing from 10 SMEs in the Graniteside industrial area.The sample size comprised the above mentioned enterprises and there were eighty questionnaires given out to the respondents. (A study of health and safety practices in small and medium sized enterprises: -A case of Botswana, 2011)

According to Maphosa(1998) the article is based on data obtained from a case study of 10 small-scale businesses in Zimbabwe. The participants were selected through purposive sampling from a register obtained from the Indigenous Business Development Centre (IBDC). A representative sample size of 105 was used for a population of 480 (Chipangura and Kaseke, 2012).

A sample of a 140 SMEs will be chosen randomly from different geographical locations of SMEs in Harare. The areas to be covered will be the Granitiside industrial area, Southerton industrial area, Workington industrial area, Magaba complex and the Glenview 8 complex. The respondents will be the owner managers or the management of the respondent company

1.23.3 Rationale of the sampling methods chosen

- The researcher shall use stratified random sampling because this sampling methods ensures that different sizes of SMEs from all the different economic sectors in the country are well represented.
- The researcher will first come up with strata to cover all the economic sectors and all SMEs' sizes and then members will then be chosen through random sampling especially for the small and informal enterprises.

- Quota sampling will be useful in the research because the researcher will need some medium sized enterprises that have formalised their structures and systems. These companies will have some well documented company information or records which will then be used in the research.

1.24 Sources of Data

Sources of data available are primary data and secondary data. The study used both primary and secondary sources of data. Primary data is raw data that is specifically collected for the purpose of the study at hand (Zikmund, 2003).

Secondary sources of data are interpretations of primary data, these are sources that exist from previous work or publications relevant to the problems at hand, but not obtained specifically for the purposes of the current study (Cooper and Schindler, 2001). Secondary data sources can either be internal or external to the organisation and typical sources include financial statements, human resources documents, marketing and sales reports as well as data bases.

The study was carried out by gathering data from primary sources in order to achieve the research objectives and the target population comprised of 100 registered SMEs in Bindura who answered the survey questionnaire (Maseko and Manyani, 2011).

The report is prepared on the basis of secondary information collected from different reports published by government, private and international organizations(Khondaker, 2006). In carrying out the research Sanni(2009) sources of data collection used were both primary and secondary and it allows for necessary information to be collected from the appropriate.

The researchers collected both primary and secondary data to make sure that all the relevant materials on information required for the study were acquired and utilized (Ahiaodzi and Thomas, 2012).

The study depended solely on desk research, and used secondary sources which include; previous research reports, newspapers, company websites, magazines and journal contents, government and NGOs statistics (Mago and Toro, 2013).To meet the research objectives the study employed desktop research by reviewing relevant texts, websites, annual reports, journals, magazines and newspapers(Mwobobia, 2008).

The study used both primary and secondary data was collected during the research. Primary data was obtained from Zimbabwean budget report, the Ministry of SMEs and various SME board. Secondary data was collected from the various SMEs in Harare.

1.25 Data Collection Procedure (Research Instruments)

Summerhilland Taylor (1992) assert that there are several factors to consider when selecting data collection methods. These are;

a) Technical adequacy- reliability, validity, freedom from bias.
b) Practicality-the costs associated with the collection of data as well as the collection of the duration of the data collection exercise.
c) Ethics- data collected from respondents will be treated with in strict privacy and confidentiality will be maintained.

Questionnaires were used by Chidamoyo and Dumbu(2012) as data collection instruments, the questionnaires contained ten open ended.Data gathering instruments used in the study were a structured self-administered questionnaire for employees, a structured interview guide for management and observations (Msipah*et al*, 2013).

This exploratory study was conducted in Nigeria and a structured questionnaire was developed to collect data through document review and interview with managers of commercial banks included in the sample in the State(Obamuyi, 2007).

The study was carried out by gathering data from primary sources in order to achieve the research objectives and the target population comprised of 100 registered SMEs in Bindura who answered the survey questionnaire (Maseko and Manyani, 2011).The sample chosen was based on information of registered artisanal engineers obtained from the Ministry of Small and Medium Enterprises and in carrying out the research, (Sanni, 2009), distributed a total of thirty questionnaires to the respondents.

A questionnaire was used to collect primary data by way of interviews and the respondents were business owners or those involved in the start-up and day to day running of these businesses (Bowen, Makarius and Samuel, 2012).The instruments used by Onugu(2005) in the collection and gathering of data include questionnaires, personal interviews, and library and desk research.

In carrying out the research Sanni (2009), distributed a total of thirty questionnaires to the respondents. Questionnaires, incorporating both open-ended and closed-ended questions items were used to gather the study's data (Wanjau and Macharia, 2012).A survey design was used during the study and the empirical approach consists of primary research and collection of data through the use of questionnaires (Fatoki and Odeyemi, 2010). The study used by Jastra*et al*(2011) was a survey design and the data collection instrument used was a questionnaire.

The empirical approach consists of primary research and collection of data through the use of questionnaires (Olawale and Garwe, 2010). Data were collected from three cities by means of questionnaire from 203 SMEs during the period between April and

November 2002 and analysed by using both descriptive and inferential statistics (Zelealem and Pansir, 2005).

The study used the quantitative research approach. The various SMEs were stratified and given quotas and data was solicited from these respondents using questionnaires of both close-ended and open-ended questions (Nkuah, 2013).

In his studyPhatshwane (2013) administered questionnaires which adopted questions used in the Gordon, Wiles and Wiles to collect data for their study. Primary data were collected using questionnaires and for illiterate respondents questions were interpreted to them and the responses recorded(Sekyi and Nkegbe, 2014).

(An Assessment of Challenges faced by Microenterprises in Botswana: A case of, 2013)**,** the survey instrument comprised of 51 item questionnaire with mostly closed questions so as to ensure precision in responding within limited time frame.The researcher will use a survey to gather data for the study. Specifically a structured questionnaire will be used for collecting the data for the study.

1.26 Justification for choosing a questionnaire for the study

- This instrument was chosen by the researcher since a large population will be used in the research and the instrument can handle large numbers of participants.

1.27 Data Analysis

Data analysis reduces raw data into summaries and trends patterns(Maseko & Manyani, 2011). In their study (Howard and Sharp, 2003) the role of analysis was to supply evidence which justifies claims that the research changes, beliefs or knowledge is of sufficient value. Data will be entered into SPSS for descriptive analysis and hypothesis testing. For data presentation tables, graph and charts will be used.

1.28 Research Limitations

Best and Khan (2003) limitations are those conditions beyond the control of the researcher that may place restrictions on the conclusions of the study and their applications to other situations. The research shall be subjected to the following limitations:

- Lack of financial resources for the study to cover the whole nation
- Time constraints for the student to cover a much bigger geographical area
- The researcher will not generalise for the whole population the results obtained using sample since the whole population was not studied

1.29 Research Ethics and Data Credibility

The researcher shall consider the following ethical issues amongst others:

- Voluntary participation- No participant to be forced to participate in the research

- Informed consent – The researcher shall ensure that potential participants fully understand what they are being asked to do and any potentially negative consequences of such participation.

- Confidentiality and Anonymity – The researcher shall ensure that the information provided by the participants will only used for the purpose of the study and the names of participants will not be published.

1.30 Chapter Conclusion

This chapter has discussed the research methodology employed in this study. A survey was used whereby questionnaires were administered. Furthermore, the chapter highlighted the various types of information which was collected by each instrument, the data analysis techniques employed and how it was presented. The following chapter focuses on analysis, presentation and discussion of the findings of the study.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION

1.31 Introduction

Chapter four details the findings of the research study. This chapter presents data analysis, presentation, interpretation and discussion of the research findings. The data analysis is presented in the form of tables, graphs and charts. The data analysis is based on literature review and the research objectives as pointed out in chapter one. The quantitative data collected were analysed using SPSS version 21.

1.32 Reliability and Validity of Questionnaire

Table 5: Response rate

Number of questionnaires Distributed	Number of questionnaires administered and returned correctly	Response Rate
140	101	72.0%

Out of the 140 questionnaires distributed 101 questionnaires were responded to and returned. This gives a response rate of 72% which is acceptable considering that a huge number of questionnaires were distributed.

1.32.1 Reliability Statistics

Before the data collection procedure the questionnaire was measured for internal consistency using Cronbach's Alpha.

Table 6: Reliability statistics

Cronbach's Alpha	N of Items
0.701	9

Table 4.2

Table 6 above reveals that the questionnaire had a reliability constant of 0.701, which is acceptable as the minimum acceptable value is 0.7. The implication of the result is that the questionnaire passed the test as an acceptable instrument to gather data which is valid as validity of data is a function of the reliability of a questionnaire. (George and Mallery2003) provide the following rules of thumb "_ > .9 – Excellent, _ > .8 – Good, _ > .7 – Acceptable, _ > .6 – Questionable, _ > .5 – Poor, and _ < .5 – Unacceptable"

1.33 Demographic Characteristics

Figure 3 Distribution by gender

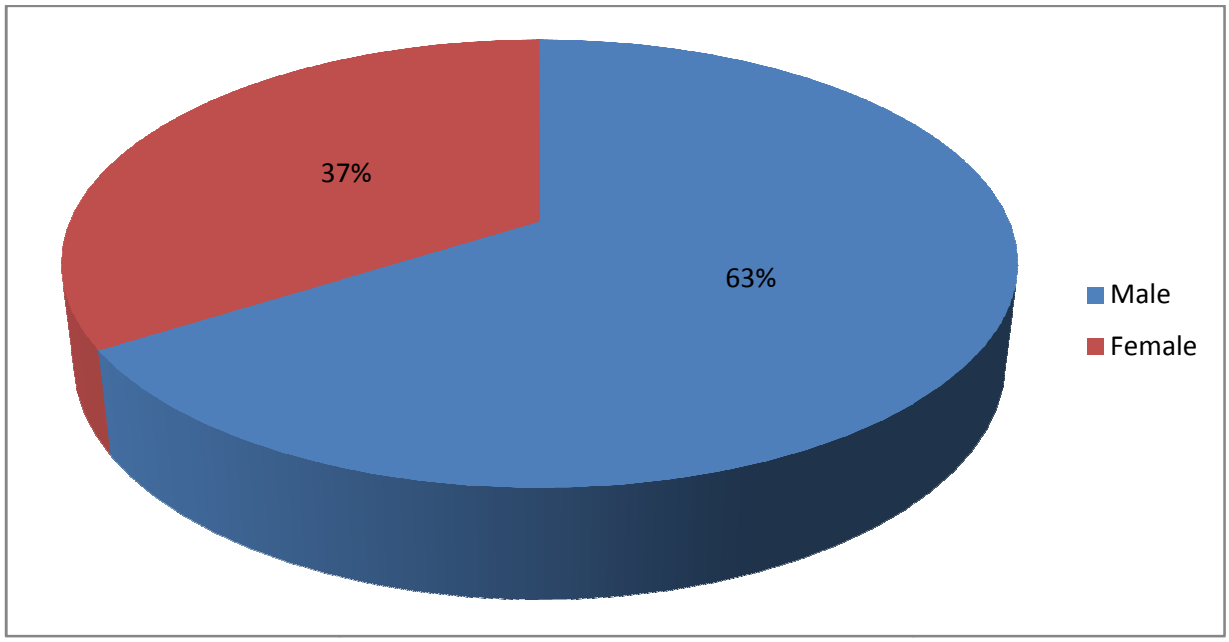


Figure 3 shows that 63% of the respondents were male and 37% were female. This indicates that the majority of SMEs' owners, directors and managers are male. Although females used to be economically marginalised and disadvantages the gap shows that females are slowly being empowered and running SMEs. The results of this study shall be dominated by factors inclined to males since they contributed a bigger portion of the respondents.These results concur with the study by (Nkonge, 2013) which concluded that most of the SMEs were male owned while women constituted a small percentage.

Table 7: Distribution by age

Age (Years)	Frequency (Count)	Percentage (%)	Cumulative Percentage (%)
<30	27	26.7	27.0
30-40	59	58.4	86.0
41-50	7	6.9	93.0
51-60	3	3.0	96.0
Over 60	4	4.0	100.0
Total	**100**	**99.0**	
No Response	1	1.0	
Total	**101**	**100.0**	

Table 7 shows that 27% of the respondents were below the age of 30, 58% between the age of 30 and 40, 7% between the age of 41 and 50, 3% were of the age between 51 and 60 and 4% were aged over 60 years. The data conclusively indicates that the majority of SMEs owners and employees are below the age of 40 since they contributed 86% of the respondents. This shows that the SMEs sector is congested with mostly the young; these are the people who were either retrenched or could not find jobs in large corporates after school such that they had to start their businesses or be employed by the SMEs.

Table 8: Distribution by position

Position	Frequency (Count)	Percentage (%)	Cumulative Percentage (%)
Owner	42	41.6	42.4
Director	20	19.8	62.6
Manager	15	14.9	77.8
Supervisors	11	11.9	89.9
General employee	9	9.9	99.0
Total	99	98.0	100.0
No Response	2	2.0	
Total	**101**	**100.0**	

Table 4.4

*T*able 8 indicates that 42% of the respondents were the owners of the SMEs, 20% were directors, 15% were managers, 12% were supervisors and 9% were general employees. These results indicate that most SMEs are owner managed hence the owners are also the ones taking part in the day to day running of their enterprises. The results show that even though some SMEs employ managers and directors to mann their operations the majority of them will be available to monitor to do the work themselves.

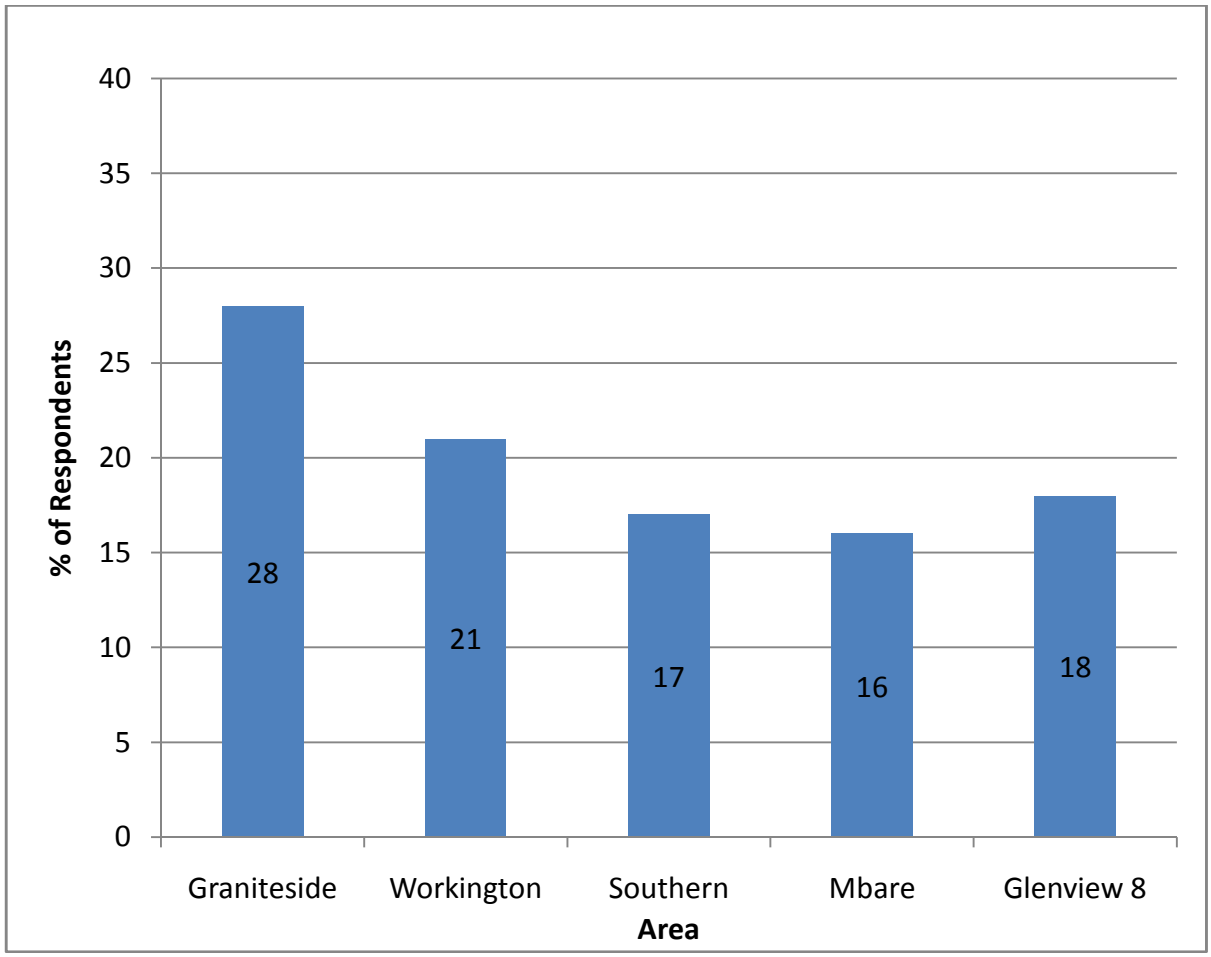
Table 9: Distribution by educational level

Educational level	Frequency (%)	Percentage (%)	Cumulative Percentage (%)
O-Level	22	21.8	22.2
A-Level	15	14.9	37.4
Pre diploma/certificate	9	8.9	46.5
Diploma	26	25.7	72.7
Degree	17	16.8	89.9
Masters	10	9.9	98.0
Total	**99**	**98.0**	
No Response	2	2.0	
Total	**101**	**100.0**	

Table 9 depicts that most of the respondents had diplomas as educational qualifications with 26% of the respondents being diploma holders, 22% having attained O level certificates, 17% holding degrees, 15% having attained A level, 10% had masters degrees and 9% had certificates. The results presented in table 4.5 shows that of the SMEs owners and employees who participated in the survey all of them at least had O level as their educational qualification. These results speak volumes in support of Zimbabwe's high literacy rate.

1.34 GENERAL INFORMATION ABOUT COMPANY AND THE INDUSTRY

Figure 4 Location of companies



Most of the respondents' companies were located in Graniteside were 28% of the SMEs participants were located, 21% were situated in Workington, 19% in the Glen View 8 complex, 17% in Southerton and 16% are located in Mbare. Graniteside industrial area is for the light industry hence most SMEs are located there. Graniteside is also strategically located in that it is near the city center and Mbare were most of the SMEs produce are sold.

Table 10: Distribution by company sector classification

Sector	Frequency (Count)	Percentage (%)	Cumulative Percentage (%)
Agriculture	2	2.0	2.0
Automotive	12	11.9	13.9
Banking and finances	1	1.0	14.9
Beverages	10	9.9	24.8
Building materials and construction	9	8.9	33.7
Engineering	8	7.9	41.6
Food	6	5.9	47.5
Insurance	13	12.9	60.4
Manufacturing	3	3.0	63.4
Mining	15	14.9	78.2
Paper, printing, forestry and publishing	2	2.0	80.2

The automotive industry, mining, engineering, telecommunication, food, insurance, beverages and buildings materials and construction industries had the high respondents of around 10% each. Some of the industries represented in the study include manufacturing, printing, real estate, pharmaceuticals, and tourism, tobacco and wholesale industries, these industries contributed plus or minus 5% of respondents to the survey. The results in table 10 shows that most of the SMEs who responded to the survey questionnaires were in the automotive, engineering, mining, building materials and construction and food industries.

1.35 General information on the period the companies have been operating

Figure 5Period of operating

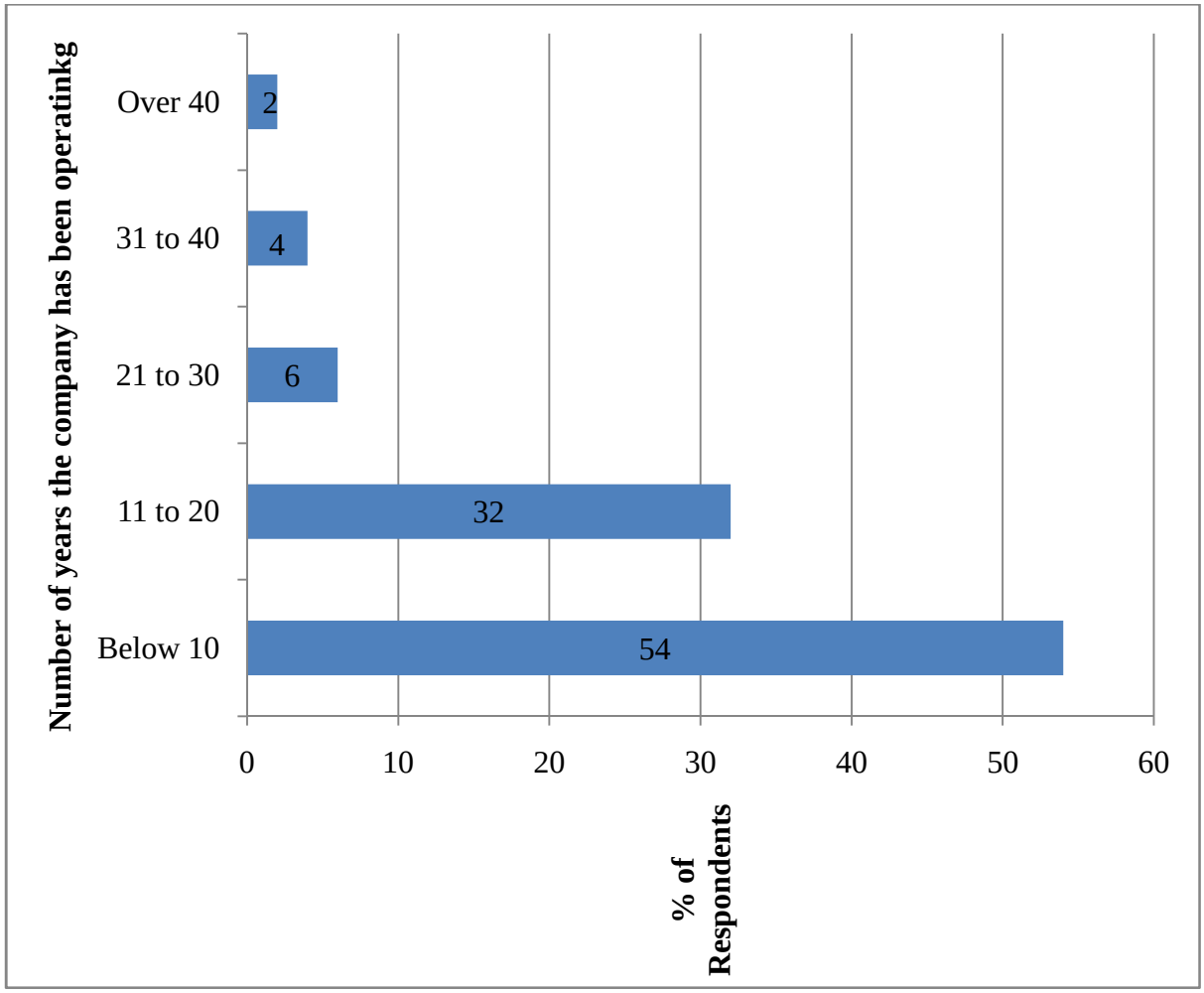
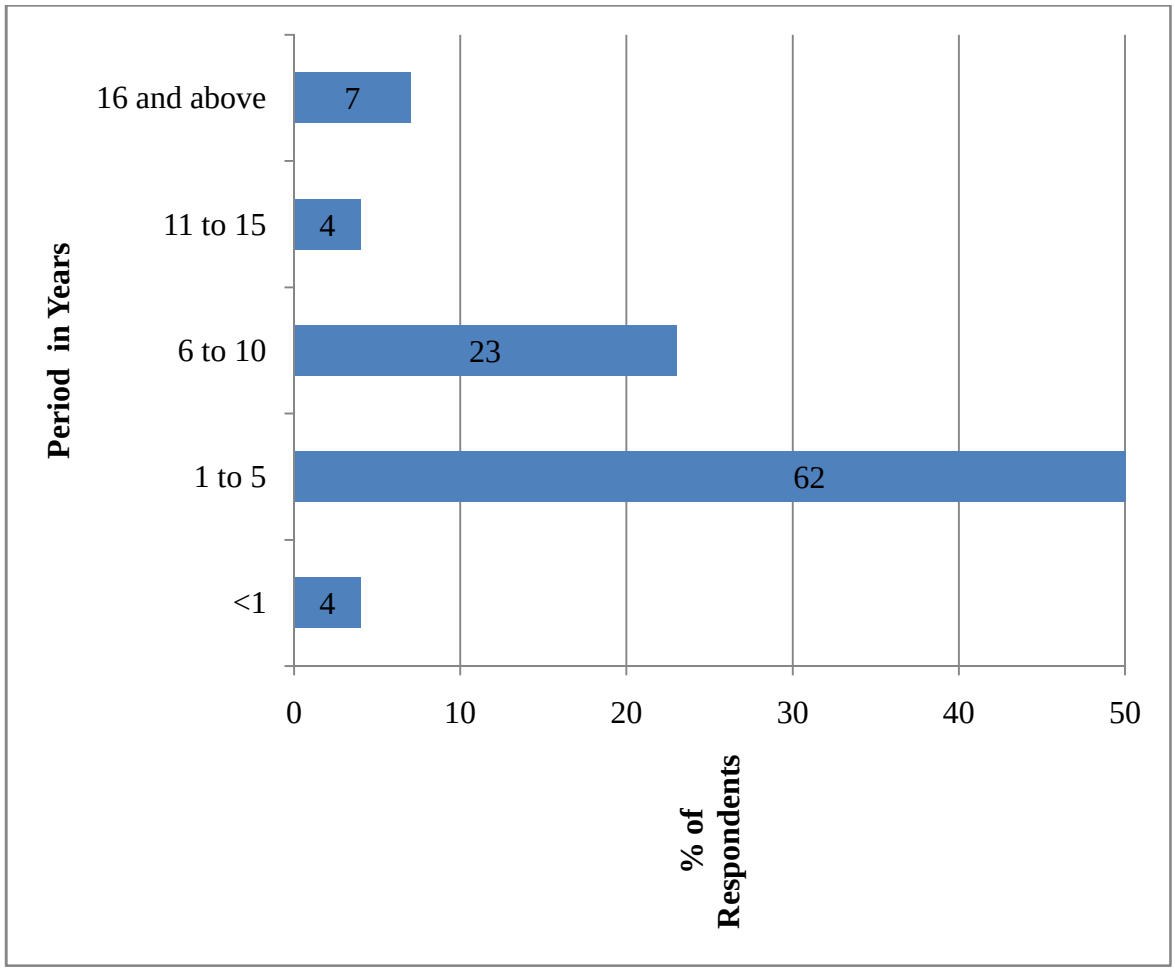


Figure 5 shows that most companies which responded in the study (54%) have been in business for less than 10 years. 32% of the respondents have been operating for a period between 11 and 20 years. Only 12% of the respondents have been in business for over 20 years. These results show that most of the Zimbabwean SMEs could have been started during the period around 2008 when most large corporates started shutting down leading to the opening of SMEs."It was also established that majority of the SMEs have been in business for a long time (6-9 years) and that most of them

have been involved in procurement process at one time or another" (Nkonge, 2013). The findings by Nkonge(2013) are also consistent with the study under review.

1.35.1 General Information on the period the respondents have been employed by the company

Figure 6Period of employment



Period of employment at the Company (n=101)

Figure 6 shows that 62% of the respondents have been employed by the organisation for a period of 1 to 5 years, 23% were employed for a period between 6 and 10 years, 1% were employed by the company for less than one year and only 12% were

employed for more than 11 years. These results show that most of the respondents have been with the company for a period between 1 to 10 years which is almost a period similar to the number of years the companies have been operating.

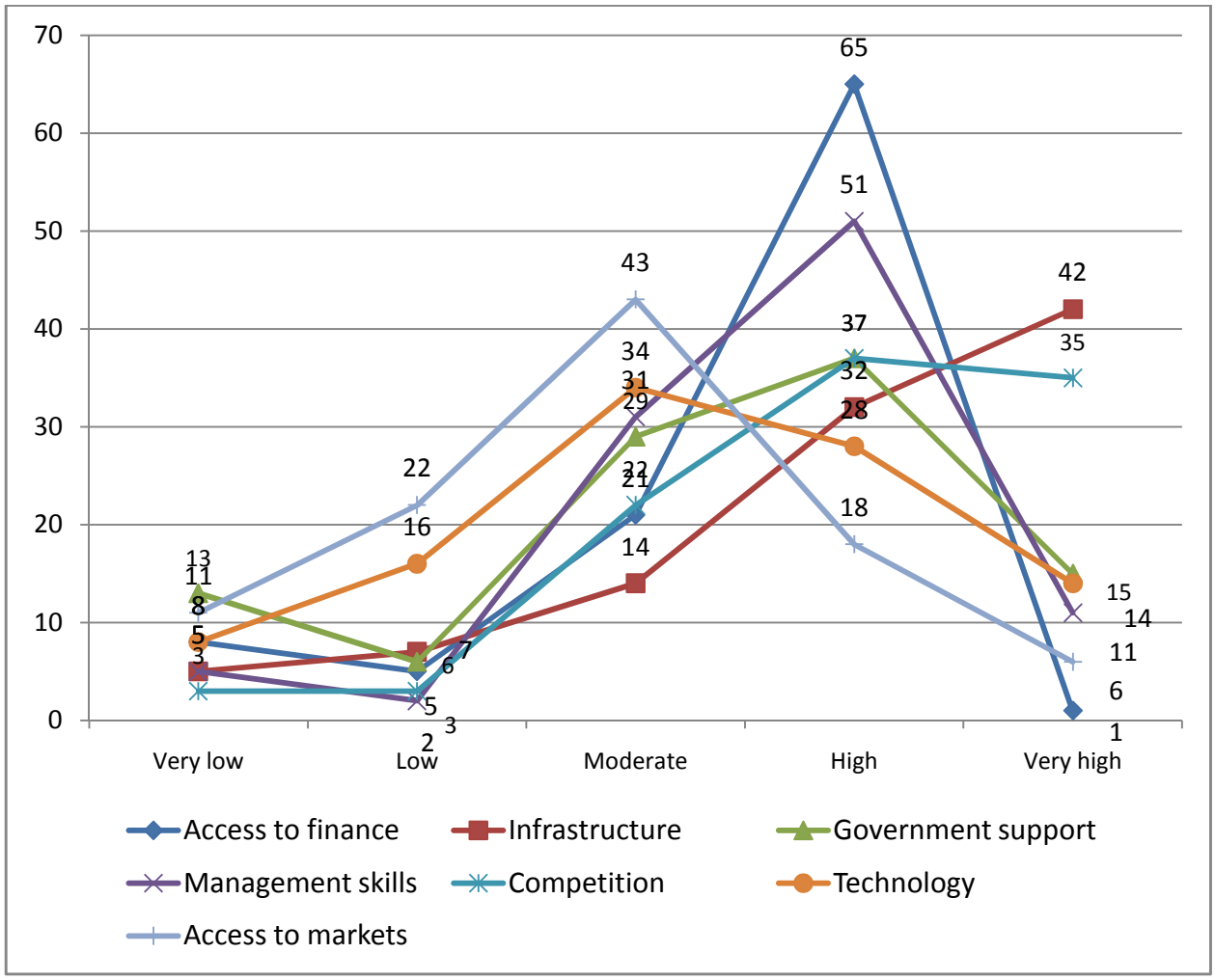
1.36 Major Strength of the company

Below are major strengths of the companies which responded to the open ended question of the major strengths which had kept the company serving for over 5 years.

- Sound financial position
- Renowned brands
- Quality goods and services
- Sound management
- Lower prices than competition
- Competent workers and good customer care
- Diversified operations

1.37 Determinants of growth of Small to Medium Enterprises in Zimbabwe

Figure 7Descriptive Statistics



1.37.1 Rating of extent factors affected the growth of SMEs growth in the last 2 years

The results in figure 7 show that of all the independent variables, access to finance had the greatest impact on SMEs' growth, followed by management skills then infrastructure and competition. Access to markets, technology and government support had the least effect on the SMEs growth. Access to finance allows (SMEs) to undertake productive investments to expand their businesses and to acquire the latest technologies, thus ensuring competitiveness (Ouma and Munyoki, 2010).This supports these results.

The main objective of the study was to reveal the major determinants of SME growth in Zimbabwe.Factor Analysis was used as an investigative tool to analyse the results. Before any analysis was done, the researcher investigated whether the data met all conditions for the statistic to be used. The Bartlett test of Sphericity and the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (usually called the MSA) were computed to ascertain whether Factor Analysis could be the appropriate test statistics to determine the key determinants of growth of Small to Medium Enterprises in Zimbabwe. Table 1 and 2 indicate the results of the tests.

1.38 Measures of Sampling Adequacy(MSA) Anti-image Matrices (Determinants of SMEs Growth)

Table 11: Measures of sampling adequacies

		Access to finance	Infrastructure	Government support	Management skills	Competition	Technology	sq7. Access to markets
Anti-image Covariance	Access to finance	.275	-.092	-.021	-.074	.014	.041	.005
	Infrastructure	-.092	.174	-.135	-.067	-.012	.026	.058
	Government support	-.021	-.135	.309	.028	.036	-.052	-.050
	Management skills	-.074	-.067	.028	.196	-.083	-.123	-.125
	Competition	.014	-.012	.036	-.083	.918	.132	.015
	Technology	.041	.026	-.052	-.123	.132	.456	-.127
	Access to markets	.005	.058	-.050	-.125	.015	-.127	.475
Anti-image Correlation	Access to finance	.876[a]	-.420	-.072	-.317	.027	.115	.013
	Infrastructure	-.420	.765[a]	-.584	-.365	-.030	.094	.203
	Government support	-.072	-.584	.830[a]	.113	.068	-.138	-.130
	Management skills	-.317	-.365	.113	.799[a]	-.195	-.410	-.411
	Competition	.027	-.030	.068	-.195	.388[a]	.205	.023
	Technology	.115	.094	-.138	-.410	.205	.811[a]	-.274
	Access to markets	.013	.203	-.130	-.411	.023	-.274	.814[a]

The anti-image matrix in Table 11 above is a measure of whether the sample under investigation is adequate variable by variable. The results reveal that all the variables had Anti-image Correlation greater than (p=0.7), except competition (p=0.388) which can be excluded from the analysis. (Norman andStreiner, 1998) were of the assertion that, “The MSA does not produce a P value but we are aiming for a value over 0.7. A value below 0.5 is considered to be unacceptable. Recommend that you consider removing variables with a MSA below 0.7, therefore competition was removed since the p value was below 0.5.

1.38.1 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.809
Bartlett's Test of Sphericity	Approx. Chi-Square	207.979
	Df	21
	Sig.	.000

The above results reveal good value for the overall MSA for the overall value at 0.809 and also the Bartlett’s Test of Sphericity has an associated P value statistically significant at p <0.001 as by default SPSS reports p values of less than 0.001 as 0.000. The above results gives us the green light to continue and perform a valid factor analysis.

1.39 Determinants of SMEs Growth (Factor Analysis)

Table 12: Total variance

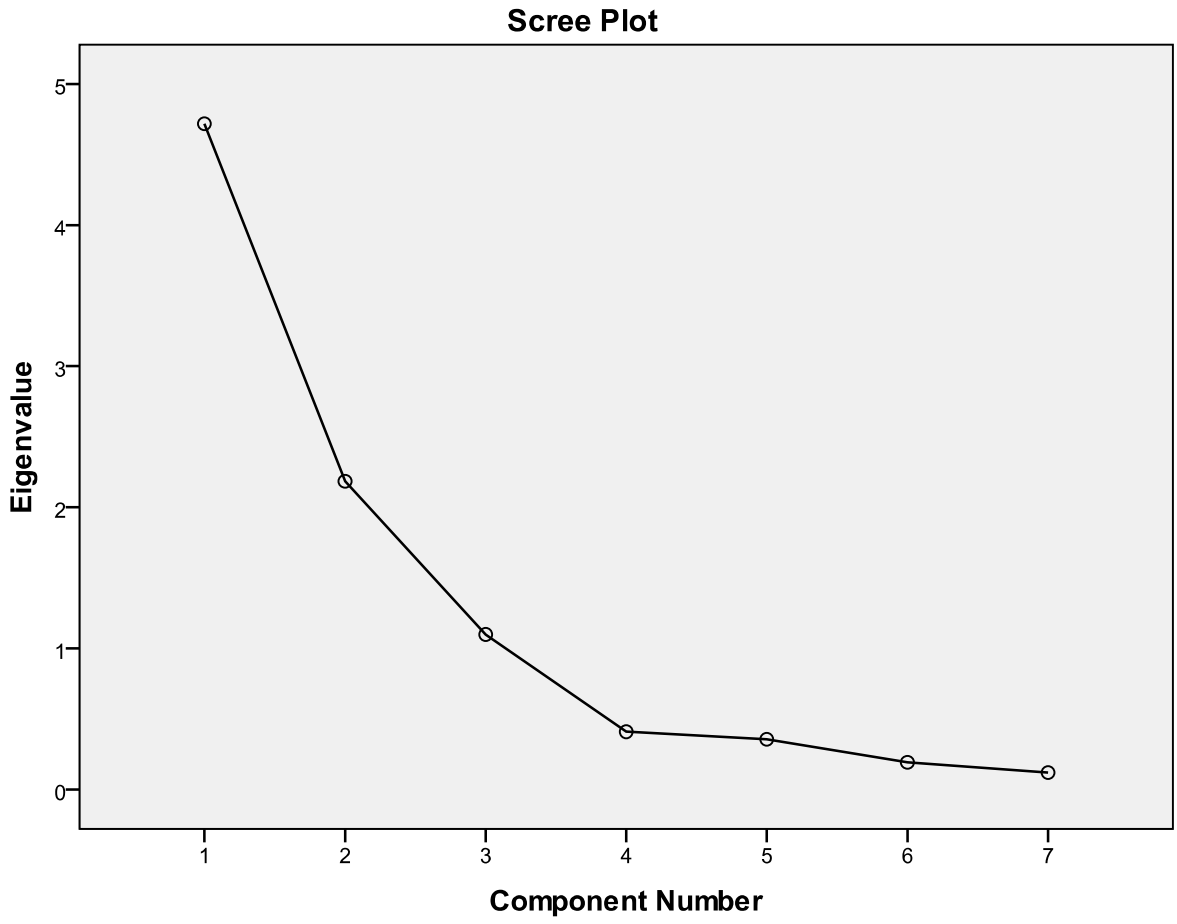
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.034	57.622	57.622	4.034	57.622	57.622	4.000	57.139	57.139
2	1.104	15.770	73.392	1.104	15.770	73.392	1.138	16.253	73.392
3	.896	12.795	86.187						
4	.368	5.259	91.446						
5	.323	4.616	96.061						
6	.164	2.338	98.400						
7	.112	1.600	100.000						

Table 12 reveals the number of components which were extracted from the seven possible outcomes. Only two components were considered as key determinants to SMEs growth and these accounted for 73% of the total variance, while Factor 1 influenced 57% of the total SMEs growth in the last year. The Scree Plot below illustrates graphically the number of components which drove SMEs growth basing on the Eigen value of 1 after rotation.

1.39.1 The Scree Plot

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**.** Figure 8 below depicts the Scree graph plotted leveling off after seven factors hence factors after the seven are trivial**.** According to the Scree plot below component one and two had the greatest contribution.

Figure 8 Scree Plot



1.39.1 Correlation Matrix

Table 13: Correlation matrix

		Access to finance	Sq7. Infrastructure	Sq7 Government support	Sq7. Management skills	sq7. Competition	sq7. Technology	sq7. Access to markets
Correlation	Access to finance	1.000						
	Sq7.Infrastructure	.827	1.000					
	Sq7 Government support	.698	.818	1.000				
	Sq7.Management skills	.755	.763	.648	1.000			
	sq7.Competition	.111	.117	.033	.148	1.000		
	sq7.Technology	.412	.428	.453	.662	-.074	1.000	
	sq7. Access to markets	.415	.388	.416	.658	.022	.627	1.000

Only those variables with a larger value of r, close 0.7 and above were selected as important in the growth of SMEs. Infrastructure and access to finance, Government support and infrastructure, Management skills and access to financial support were most correlated, implying that they influenced SME growth rate most. Therefore a combination of the variables mentioned above had the most significant effect on SMEs growth.

1.39.2 Rotated Component Matrix[a]

Table 14: Rotated component matrix

	Raw		Rescaled	
	Component		Component	
	1	2	1	2
Access to finance	.988	.145	.865	.127
Infrastructure	1.072	.155	.899	.130
Government support	.946	.027	.854	.024
Management skills	.821	.103	.895	.113
Competition	.045	1.454	.031	-.991
Technology	.806	-.210	.702	-.183
Access to markets	.583	-.048	.644	-.053

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

From Table 14 results indicate that infrastructure, management skills, access to finance, support rendered by government and technology respectively loaded heavily on the first component and only Competition was on the second component. Access to markets was the only component which was not heavily loaded.

Table 15: Test of normality

Tests of Normality[b,c]

		Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	SME determinants	Statistic	df	Sig.	Statistic	df	Sig.
Total Profit for the year	Low	.407	6	.200	.640	6	.100
	Medium	.252	20	.200	.795	20	.100
	High	.397	65	.078	.269	65	.065

a. Lilliefors Significance Correction

b. q8. Total Profit for the year is constant when Access to finance = Moderate. It has been omitted.

c. q8. Total Profit for the year is constant when Access to finance = 55.00. It has been omitted.

From the results from the table above Shapiro-Wilk indicates that the data is normally distributed as the significance level is greater than 0.05. The results shown by Table 15 are therefore valid and acceptable

1.40 Relationship between determinants of SMEs Growth, Total Profit and Total sales per Year in 2013.Pearson's correlation coefficient

Table 16: Pearson correlation efficient

		Total Profit for the year	Total sales per year
Total Profit for the year	Correlation Coefficient	1.000	**.301****
	Sig. (2-tailed)	.	**.002**
	N	100	99
Access to finance	Correlation Coefficient	**.248***	-.108
	Sig. (2-tailed)	**.013**	.289
	N	99	98
Infrastructure	Correlation Coefficient	**.334****	-.095
	Sig. (2-tailed)	**.001**	.353
	N	98	97
Government support	Correlation Coefficient	**.248***	-.106
	Sig. (2-tailed)	**.013**	.300
	N	99	98
Management skills	Correlation Coefficient	-.088	-.009
	Sig. (2-tailed)	.390	.934
	N	97	96
Competition	Correlation Coefficient	.040	-.110
	Sig. (2-tailed)	.690	.278
	N	100	99
Technology	Correlation Coefficient	**.267****	**.280****
	Sig. (2-tailed)	**.008**	**.005**
	N	98	97
Access to markets	Correlation Coefficient	.118	-.034
	Sig. (2-tailed)	.243	.735
	N	100	99
Total sales per year	Correlation Coefficient	**.301****	1.000
	Sig. (2-tailed)	**.002**	.
	N	99	99

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

The results marked in bold are the only ones where association exists as they are statistically significant. The others are not significant; they have no influence but can be explained by other factors. There are other factors at play other than the ones under scrutiny.A positive correlation and statistically significant relationship was found to exist between Total sales and Profits made by most SME (r=0.301, p=0.002). This implies that sales were directly proportional to profits. More sales result in more profit.

1.41 Impact of SMEs growth determinants on SME growth (How do predictors affect growth, Profit)

Regression Analysis

Table 17:Regression model summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.856[a]	.665	.6443	2.04428

a. Predictors: (Constant), sq7. Technology, Sq7. Infrastructure, Access to finance, Sq7 Government support

The results in Table 17 shows that 66.5% of the predictors explain their impact on SME growth

Table 18: ANOVA Table

anova[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.609	4	6.652	5.592	.018[a]
	Residual	380.298	91	4.179		
	Total	406.906	95			

a. Predictors: (Constant), sq7. Technology, Sq7. Infrastructure, Access to finance, Sq7 Government support
b. Dependent Variable: Growth (Total Profit)

Anova tables illustrates that the predictors have different influence on the growth of SMEs (F(4)=5.592, p=0.018) measured at 95% confidence level.

Table 19: Coefficients

Coefficients

Model		Unstandardised Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.079	.989		3.113	.002
	Access to finance	.16	.040	.264	.256	.046
	Sq7. Infrastructure	-.602	.285	-.324	-2.110	.008
	Sq7 Government support	.434	.271	.246	1.603	.012
	sq7. Technology	.268	.192	.243	1.396	.016

a. Dependent Variable: q8. Total Profit for the year

Infrastructure deterioration is causing a decline in profits at a rate of 0.32, whilst access to finance, a unit change in access was found to increase SME growth at the rate of 0.26. Government support unit change caused a 0.25 growth in the SMEs. 0.24 change in SMEs growth was caused by a unit increase in technology.

All the variables are statistically significant measured at 95% confidence level. The implication is that each variable without being added to other parameters explains SME growth.

1.42 Hypothesis

Below are the hypothesis of the study which were supported by the findings discussed above:

H1 - Access to finance is a significant positive explanatory factor in the variation of SMEs growth.

H2 - Infrastructure has a strong positive effect on the growth of SMEs

H3 - Government support has significant positive influence in the growth of SMEs.

H4 - Management skills is a strong positive influence as an explanatory factor to business performance.

H5 - Competition has a strong negative influence on the performance and growth of SMEs.

H5 - Technology has a significant positive influence on the growth of SMEs.

H7 - Access to markets has significant positive influence on the growth of SMEs.

1.43 Chapter Conclusion

The chapter provided an interpretation, analysis and discussions of the research findings. The analysis and discussions was done using the different variables in the research and literature reviewed was compared to the results of the discussions and analysis. The coming chapter is the final chapter and it concludes the study and put forward recommendations

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

1.44 Introduction

This chapter provides the conclusions drawn from the discussion of findings in chapter four, proposition validation, recommendations, research limitations and proposed area of further study. The study sought to investigate the determinants of growth of the SMEs in Zimbabwe.

1.45 Conclusions

i. The study concluded that access to finance has the greatest impact on the growth of SMEs. The research findings show that for SMEs to be successful they should have access to finance. It is therefore crucial to avail credit facilities to the SMEs for them to grow.Hence access to finance is the major determinant of growth of SMEs.

ii. The research concluded that there is a positive correlation between Total sales and Profits. This implies that the higher the sales the higher the profits. Therefore for SMEs to grow they should be able to have higher sales which then translates into higher profits by employing cost cutting measures for the business.

iii. The research concluded Infrastructure and access to finance, Government support and infrastructure, Management skills and access to financial support were most correlated, implying that they influenced SME growth rate most.

iv. The study concluded that management skills, infrastructure and competition had also a relatively strong bearing on the growth of SMEs. These determinants of SMEs growth have a relatively strong impact on the growth of SMEs hence they should all be improved if Zimbabwean SMEs are to grow.

v. The research concluded that government support has relatively medium effect on the growth of SMEs. The government of Zimbabwe therefore has to render support to SMEs for them to grow.

1.46 Validation of Research Hypothesis

The hypothesis that access to finance is a significant positive explanatory factor in the variation of SMEs growth was adopted since the results of the findings concluded that access to finance has the greatest bearing on SMEs growth.

1.47 Recommendations

i. The study recommends that financial institutions avail financing options for SMEs so that they access finances needed for their growth.

ii. The research recommends that the government embark on management skills training for the SMEs in order to improve the managerial capacity of SME owners and SMEs' management.

iii. The study recommends that the government should act as collateral security or loan guarantor for SMEs so that the banks may allow them to borrow government securitised loans.

iv. The study recommends that the government of Zimbabwe should incentives those SMEs who come up with ground breaking innovations. This improves competition on innovations front thereby improving on the growth of SMEs.

v. The research recommends that the government should invest in infrastructural development for SMEs to have access to adequate infrastructure necessary for their growth.

5.5. Research Limitations

According to Best and Khan (1993) “Limitations are those conditions beyond the control of the researcher that may place restrictions on the conclusions of the study and their applications to other situations.” The research shall be subjected to the following limitations:

- Lack of financial resources for the study to cover the whole nation
- Time constraints for the student to cover a much bigger geographical area since the researcher was not full time in doing the study
- The researcher will generalise for the whole population the results obtained using sample

1.6 Areas of Further study

The researcher proposes a further study to ascertain the effect of access to markets to SMEs growth. This study did not conclusively ascertain the effects of access to markets to the growth of SMEs. Studies to compare the contributions of the SMEs to the economy of Zimbabwe as a nation. This will help the government of Zimbabwe to fairly allocate its resources to the different economy sectors and industries.

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3 Appendices

3.1 QUESTIONNAIRE

University of Zimbabwe

Graduate School of Management

Dear respondent

RE: MBA Research Questionnaire

The researcher is a final year student studying towards a Master of Business Administration with the Graduate School of Management at the University of Zimbabwe. This research will be submitted in partial fulfillment of the requirements for the programme. The researcher seeks to "Investigate the determinants of growth of Small to Medium Enterprises in Zimbabwe".

You are one of the people who are being asked to give your opinion on the issue. The researcher would greatly appreciate if you could assist by completing the attached questionnaire. If you need any clarification please do not hesitate to contact the researcher on mobile number: 0732476516 or jnerwande@gmail.com

Please do not write your name or any other identification details on the questionnaire. This is purely academic research and all the information received will be treated in the strictest of confidence. The questionnaire will take you at least 10 minutes to complete.

Thank you in advance for your assistance in this matter.

Yours faithfully

Joel Nerwande - MBA Student (R048037K)

Section A: Demographics

Please put a tick ☑ in the appropriate box or circle your answer where required.

1. Indicate your gender Male ☐ Female ☐

2. What is your age group?

Less than 30 ☐

30 - 40 ☐

41 - 50 ☐

51 – 60 ☐

Over 60 ☐

3. What is your position in the organisation?

Owner ☐

Director ☐

Manager ☐

Supervisor ☐

General employee ☐

4. Indicate your highest academic or professional Qualification:

O level ☐

A Level ☐

Pre diploma Certificate ☐

Diploma ☐

Degree ☐

Masters ☐

Doctorate ☐

Other;

Specify……
……..

Section B: General information about company and the industry

1. Where is your company located?

Graniteside ☐

Workington ☐

Southern ☐

Mbare ☐

Glenview 8 ☐

2. Where do you classify your company by sector?

Agriculture ☐

Automotive and transport ☐

Banking and financials ☐

Beverages ☐

Building materials and construction ☐

Education ☐

Engineering ☐

Food ☐

Insurance ☐

Manufacturing ☐

Mining ☐

Paper, printing, forestry and publishing ☐

Pharmaceuticals and chemicals ☐

Property and real estate ☐

Retail and wholesale ☐

Telecommunications ☐

Tobacco ☐

Tourism ☐

3. How many people are employed by your company?

Below 10 ☐

11 - 20 ☐

21 – 30 ☐

31- 40 ☐

Over 40 ☐

4. How long have your company been operating?

Less than 1 year ☐

1-5 years ☐

6 – 10 years ☐

11-15 years ☐

16 years and above ☐

Other; Specify……

5. How long have you been employed in this organization?

Less than 1 year ☐

1-5 years ☐

6 – 10 years ☐

11-15 years ☐

16 years and above ☐

If your answer to the above is 5 years or more what has been the major strength of the company?

……

……

……

……

6. For the past one year, to what extent has the following factors been affecting the growth of your company?

	Very Low	**Low**	**Moderate**	**High**	**Very High**
(a) Access to finance					
(b) Infrastructure					
(c) Government support					
(d) Management Skills					
(e) Competition					

(f) Technology					
(f) Access to markets					

7. For the year ended 2013, please indicate your financial performance in terms of the following:

	Loss Less than zero	**Breakeven** Zero	**Low** Below $1000	**Medium** $1000 - $2000	**High** $2001 - $5000	**Very High** Over $5000
(a) Total Profit for the year						

	Low Below $10000	**Medium** $10001 - $20000	**High** $20001 - $30000	**Very High** Over $30000
(b) Totals sales for the year				

Thank you very much for your time, I greatly appreciate.