ASSESSMENT OF GOVERNMENT POLICIES, FINANCE ACCESSIBILITY, MANAGERIAL COMPETENCY AND MARKET INFORMATION ON THE PROGRESS OF SMALL AND MEDIUM ENTERPRISES IN BULAWAYO PROVINCE IN ZIMBABWE

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JUNE 2024

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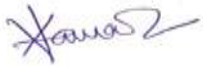
DECLARATION AND APPROVAL

Declaration by the Student

This research project is entirely my own work and has not been submitted for a degree in any other university or for any other award.



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I confirm that the work reported in this research project was carried out by the candidate under my supervision.

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DEDICATION

To my lovely wife Lucy Njeri and my treasured children Christine Nyokabi, Eric Nganga and Ian Ngaruiya.

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The successful completion of this scholarly work is accredited to numerous individuals who played critical indispensable roles. Firstly, I am thankful God for endowing me with knowledge to conduct this scholarly work. Secondly, I appreciate my research supervisor Dr. Njeri S. Ngacha for his commitment to supervise and give input to my research project. Immense appreciation goes to my wife and children for encouraging me to pursue and complete this course. Lastly, I owe a favor to my research assistant, Mr. Christian Maguchu who is based in Zimbabwe for his input in proofreading my work.

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ABSTRACT

The study assessed progress of SMEs in Bulawayo Province in Zimbabwe through an in-depth evaluation of the influence of government policies, financial accessibility, managerial skills, and market information on business. The study determined the influence of government policies on the progress of SMEs. It established the influence of financial accessibility on the progress of SMEs. It assessed the influence of managerial capacity on the progress of SMEs. It also explored the influence of market information on the progress of SMEs. The study adopted a descriptive design. The study population involved the entrepreneurs and managers operating SMEs in Bulawayo Province. The sample size for the study was 229 participants who were purposively chosen. Data was collected through a self-developed closed-structured questionnaire that was provided to the participants though a drop-pick method. Data was keyed into SPSS program to derive statistical measures. Data was displayed in frequencies, means and standard deviations. On Pearson's correlation coefficients the findings on government policies were: taxation $r(227) = -0.593$, $p = 0.000$, licensing $r(227 = -0.733$, $p = 0.000$ and bank rate policy $r(227) = -0735$, $p = 0.000$. The results gave a negative correlation between government policies and SMEs progress to infer that an increase of government policies unfavorably affects the progress of SMEs. The findings on financial accessibility were: interest rates $r(227) = -0.896$, $p = 0.000$, collateral security $r(227) = -0.775$, $p = 0.000$ and credit worthiness $r(227) = -0.869$, $p = 0.000$. The results gave a negative correlation between financial accessibility and progress of SMEs. Therefore, an increase of the financial accessibility requirements had an unfavorable influence on the growth of SMEs. The results on managerial competency skills were: financial management skills $r(227) = 0.690$, $p = 0.000$, general management skills $r(227) = 0.800$, $p = 0.000$ and strategic management skills $r(227) = 0.815$, $p = 0.000$. The managerial competency skills depicted a significant positive correlation with the progress of SMEs. Therefore, an increase of managerial competency skills depicted a favorable positive influence on the progress of SMEs. The findings on the correlation between marketing information and the progress of SMEs were: customer needs $r(227) = 0.847$, $p = 0.000$, quality of products $r(227) = 0.859$, $p = 0.000$ and technological information $r(227) = 0.724$, $p = 0.000$. The results deduced that an increase of marketing information had a significant positive influence on the progress of SMEs. The study recommended formulation of sustainable policies by the government and financial institutions to enhance progress of SMEs. Periodic staff training and development is necessary for acquisition of managerial competency skills. Entrepreneurs of SMEs should also acquire knowledge of the market to know the needs of their audience.

TABLE OF CONTENTS

DEDICATION ..... **iii**

ACKNOWLEDGEMENT ..... **iv**

ABSTRACT ..... **v**

TABLE OF CONTENTS ..... **vi**

LIST OF TABLES ..... **xi**

LIST OF FIGURES ..... **xiii**

LIST OF ABBREVIATIONS AND ACRONYMS ..... **xiv**

CHAPTER ONE: INTRODUCTION **1**

1.1 Background to the Study 1

1.2 Statement of the Problem 3

1.3 Purpose of the Study 4

1.4 Objectives of the Study 5

1.4.1 General Objective 5

1.4.2 Specific Objectives 5

1.5 Research Questions 5

1.6 Significance of the Study 6

1.7 Scope of the Study 6

1.8 Study Limitations 7

1.9 Delimitations 8

1.10 Assumptions 8

1.11 Operational Definition of Key Terms 10

Mount Kenya University

CHAPTER TWO: LITERATURE REVIEW 12

2.1 Introduction 12

2.2 The Concept and Scope of SMEs 12

2.3 Progress of SMEs in Zimbabwe 13

2.4 Empirical Literature 15

2.4.1 Government Policies and Progress of SMEs 15

2.4.2 Financial Accessibility and Progress of SMEs 20

2.4.3 Managerial Capacity and Progress of SMEs 23

2.4.4 Market Information and Progress of SMEs 25

2.5 Research Gaps 26

2.6 Theoretical Framework 28

2.6.1 Resource Dependency Theory 28

2.6.2 The Pecking Order Theory 29

2.6.3 Growth Theory 32

2.7 Conceptual Framework 32

2.8 Recap of Literature Review 34

CHAPTER THREE: RESEARCH METHODOLOGY 36

3.1 Introduction 36

3.2 Research Design 36

3.3 Target Population 37

3.4 Sampling Criteria and Techniques 37

3.5 Sample Size 39

3.7 Testing for Validity and Reliability 41

3.8 Pilot Study 42

3.9 Data Collection Methods and Procedures 43

Mount Kenya University

3.10 Data Analysis Techniques and Procedures....43
3.11 Ethical Considerations....44
CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSIONS....47
4.0 Introduction....47
4.1 Response Rate....47
4.2 Demographic Data....47
4.2.1 Level of Education....47
4.2.2 Business Existence....48
4.3 Data Analysis and Discussion....49
4.3.1 The Influence of Government Policies on the Progress of SMEs....49
4.3.1.1 Forms of Government Policies on the Progress of SMEs....50
4.3.1.2 Correlation between Government Policies and Progress of SMEs....52
4.3.1.3 Taxation Model Summary....53
4.3.1.4 Taxation ANOVA....54
4.3.1.4 Licensing Model Summary....55
4.3.1.5 Licensing ANOVA....55
4.3.1.6 Bank Rate Policy Model Summary....56
4.3.1.7 Bank Rate ANOVA....56
4.4 Influence of Financial Accessibility on the Progress of SMEs....56
4.4.1 Influence of Requirements by Financiers on Progress of SMEs....57
4.4.2 The Correlation between Financiers' Requirements and Progress of SMEs....59
4.4.3 Interest Rates Model Summary....61
4.4.4 Interest Rates ANOVA....62
4.4.4 Collateral Security Model Summary....62
4.4.5 Collateral Security ANOVA....63

4.4.6 Credit Worthiness Model Summary 63
4.4.7 Credit Worthiness ANOVA 64
4.5 Influence of Managerial Competency on the Progress of SMEs 64
4.5.1 Workshops/Seminars 65
4.5.2 Workshops/Seminars Frequency 65
4.5.3 Forms of Managerial Competency on the Progress of SMEs 66
4.5.4 The Correlation between Managerial Competency and Progress of SMEs 68
4.5.4.1 Financial Management Skills Model Summary 69
4.5.4.2 Financial Management Skills ANOVA 70
4.5.4.3 General Management Skills Model Summary 70
4.5.4.4 General Management Skills ANOVA 71
4.5.4.5 Strategic Management Skills Model Summary 72
4.5.4.6 Strategic Management Skills ANOVA 72
4.6 Influence of Marketing Information on the Progress of SMEs 73
4.6.1 The Effect of Technology on Business 73
4.6.2 Elements of Marketing Information on the Progress of SMEs 74
4.6.3 Correlation between Marketing Information and Progress of SMEs 76
4.6.3.1 Customer Needs Model Summary 78
4.6.3.2 Customer Needs ANOVA 78
4.6.3.3 Quality of Products Model Summary 79
4.6.3.4 Quality of Products ANOVA 79
4.6.3.5 Technological Information Model Summary 80
4.6.3.6 Technological Information ANOVA 80
4.7 The Effect of the Intervening Variable – Economic Growth on Progress of SMEs 81

CHAPTER FIVE **83**

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS **83**

5.0 Introduction 83

5.1 Summary 83

5.1.1 The Influence of Government Policies on the Progress of SMEs 83

5.1.2 The Influence of Financial Accessibility on the Progress of SMEs 83

5.1.3 The Influence of Managerial Competency on the Progress of SMEs 84

5.1.4 The influence of Market Information on the Progress of SMEs 84

5.2 Conclusions 85

5.3 Recommendations 86

5.4 Suggestions for Further Research 88

REFERENCES **89**

APPENDICES **97**

APPENDIX A CONSENT FORM FOR PARTICIPATION IN RESEARCH **97**

APPENDIX B LETTER OF INTRODUCTION **99**

APPENDIX C QUESTIONNAIRE **100**

APPENDIX D ERC APPROVAL **105**

APPENDIX E POSTGRADUATE INTRODUCTION LETTER **106**

APPENDIX F RESEARCH LICENSE **107**

APPENDIX G SIMILARITY INDEX **108**

Mount Kenya University

LIST OF TABLES

Table 1 Target Population 47

Table 2 Forms of Government Policies on the Progress of SMEs 50

Table 3 Correlations between Government Policies and Progress of SMEs 52

Table 4 Taxation Model Summary 54

Table 5 Taxation ANOVA[a] 54

Table 6 Licensing Model Summary 55

Table 7 Licensing ANOVA[a] 55

Table 8 Bank Rate Policy Model Summary 56

Table 9 Bank Rate Policy ANOVA[a] 56

Table 10 Business Financiers 57

Table 11 Financiers Requirements on the Progress of SMEs 58

Table 12 Correlations between Financiers' Requirements and Progress of SMEs 60

Table 13 Interest Rate Model Summary 62

Table 14 Interest rates ANOVA[a] 62

Table 15 Collateral Security Model Summary 63

Table 16 Collateral Security ANOVA[a] 63

Table 17 Credit Worthiness Model Summary 64

Table 18 Credit Worthiness ANOVA[a] 64

Table 19 Managerial Competency on the Progress of SMEs 67

Table 20 Correlations between Managerial Competency Skills and Progress of SMEs 68

Table 21 Financial Management Skills Model Summary 70

Table 22 Financial Management Skills ANOVA[a] 70

Table 23 General Management Skills Model Summary 71

Table 24 General Management Skills ANOVA[a] 71

Mount Kenya University

Table 25 Strategic Management Skills Model Summary 72
Table 26 Strategic Management Skills ANOVA[a] 73
Table 27 Effect of Technology (Social Media) on Business 74
Table 28 Elements of Marketing Information on the Progress of SMEs 75
Table 29 Correlations between Marketing Information and SMEs Progress 76
Table 30 Customer Needs Model Summary 78
Table 31 Customer Needs ANOVA[a] 78
Table 32 Quality Products Model Summary 79
Table 33 Quality of Products ANOVA[a] 79
Table 34 Technological Information Model Summary 80
Table 35 Technological Information ANOVA[a] 80

Mount Kenya University

LIST OF FIGURES

Figure 1 Zimbabwe Interest Rates in Year 2022 18

Figure 2 Conceptual Framework of the Relationship between the Variables 34

Figure 3 Level of Education 48

Figure 4 Duration of Business Existence 49

Figure 5 Workshops/Seminars 65

Figure 6 Workshops/Seminars Frequency 66

Figure 7 Level of Economic Growth 81

Mount Kenya University

LIST OF ABBREVIATIONS AND ACRONYMS

AECF	Africa Enterprise Challenge Fund
APA	American Psychological Association
ERC	Ethical Review Commission
GDP	Gross Domestic Product
IDP	Industrial Development Policy
IEP	Indigenization and Empowerment Policy
MSME	Micro, Small and Medium Enterprises
NACOSTI	National Commission for Science, Technology, and Innovation
POT	Pecking Order Theory
RDT	Resource Dependency Theory
SEDCO	Small Enterprise Development Corporation
SMEs	Small and Medium Enterprises
SPSS	Statistical Package for Social Sciences
VCCZ	Venture Capital Company of Zimbabwe

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CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

SMEs are important pillars of the world economy, and they form a significant percentage of businesses across all countries. In the developing countries, SMEs form 90% of the private business and constitute for over 50% of employment in their respective economies (Runde, Savoy, Staguhn, 2021). In the sub-Saharan Africa context, the 44 million SMEs offer approximately 80% of all jobs in the entire region, representing an important driving force of economic progress. Globally, SMEs are considered important in the economic and social domain of a contemporary society because they enhance entrepreneurship and competition (Gombarume & Mavhunduste, 2014). Available statistical data indicate that SMEs are more prolific compared to huge enterprises because they not only create employment but are also labor intensive (Monyau & Bandara, 2014). This is further supported by the fact that in 2014, it was approximated that out of the 7.1 million economically powerful citizens in Zimbabwe, about 80% of them worked in the SMEs sector (Marima, 2018). It is therefore evident that no world economy (especially third world countries) can grow without the contribution of the SMEs. It is therefore imperative that all stakeholders join hands to address the welfare of SMEs. SMEs emerge when the economy of a country is not performing well and during this cycle it becomes challenging for creation of employment in the public sector. In other circumstances, SMEs emerge due to reduction in job security in big firms or due to growth in education levels and innovation (Schwab, Gold & Reiner, 2018). In situations when a country's economy is performing well, businesses have opportunities to thrive well for the reason that factors such as credit are easy to get and governments are able to increase the factors of production (Runde, Savoy & Staguhn, 2021).

Crucial factors for growth of SMEs to create jobs, and stimulate economic growth are favorable government policies, affordable access to finance (including credit), sound managerial capacity

and symmetrical access to market information. However, a plethora of barriers especially in sub-Saharan Africa pose serious barriers for the progress of SMEs. In the Zimbabwean context, most SMEs confront unfavorable market environment which affects their growth (Nyoni & Bonga, 2018). Some studies indicate that SMEs fail due to weak performance despite the business background they control (Kambwale, Chisoro & Karodia, 2015). Echoing similar views, Moyo and Moyo (2017) opine that, only a small fraction of the SMEs in Zimbabwe has been able to grow and survive into big firms. The barriers obstructing progress of SMEs are harsh legal frameworks and registration bureaucracies, limited access of funds, high cost of capital, inadequate managerial proficiencies and absence of marketing competencies (Edmore, 2017; Karedzca et al., 2014; Musabayana, Mutambara & Ngwenya, 2022). In addition, Yoshino and Taghizadeh-Hesary (2016) hold that SMEs confront challenges from lack of database and inadequate use of information technology (IT) which are some of the obstacles associated with slow growth or death of SMEs in the developing economies.

Other obstacles highlighted in the available studies are high rates of business extinction, transparency and integrity issues, and insufficient skills in international trade, limited equity base, lack of experienced human resources, cut-throat competition, heavy taxation, and prohibitive collateral and high interest rates (Agwu & Emeti, 2014; Matsongoni & Mutambara, 2021). Even with the perceived benefits associated with SMEs, all these obstacles exacerbate progress of SMEs in various ways. Adcorp (2014) indicates that the death rate of SMEs in Africa is alarming with 5 from every 7 new businesses collapsing soon after they are started. There is need to put measures to increase the success rate of SME startups because the lost capital not only inhibits creation of jobs and economic growth but can lead to abject poverty due to foreclosure by financial institutions. In the Zimbabwean context, SMEs encounter challenges to secure sufficient finance because they lack security and financial institutions are not motivated to finance their entrepreneurial activities.

Poor marketing proficiencies and little awareness of the competitive market unfavorably affect SMEs because of their failure to entice and maintain customers. Inadequate market information market and changing consumer tastes and preferences adversely affect SMEs. Insufficient knowledge about the market equally exposes SMEs failure to provide the needs of their customers. The organization's micro environment is vital to the growth of an organization and a key component of it is the managerial proficiency to create operational strategies. The SMEs sector in Zimbabwe is, in addition, confronting problems associated with managerial skills to run their business (Chandamoyo, 2012; Magaisa & Matipira, 2017). Lack of management training on how to manage SMEs is a failure common in the SMEs sector and it becomes a key factor that limits their growth. According to Samudzimu and Munkumba (2022) SMEs in the Zimbabwean context lack the needed human resources proficiencies, finance management proficiencies, marketing proficiencies and general managerial skills for sustainable growth of the SMEs sector.

Despite the fact that there are numerous benefits associated with SMEs sector in Zimbabwe, there is insufficient data to demonstrate the effect of the four variables, that is, government policies, financial accessibility, managerial capacity and market information on the progress of SMEs. There is scantiness of research that addresses the progress of SMEs. Based on the above backdrop, it is apparent that there is a gap in the SMEs progress which compelled the researcher to assess it. Based on the conceptual perspective, the study's independent variables are government policies, financial accessibility, managerial capacity and market information measured on the dependent variable (SMEs progress). The intervening variable is economic growth. Therefore, the study purposed to assess the progress of SMEs in Bulawayo Province in Zimbabwe in light of the four variables mentioned above.

1.2 Statement of the Problem

SMEs are the locomotives for economic progress because they influence the progression of Gross Domestic Product (GDP) of countries. In Zimbabwe, SMEs employ a significant percentage of its population (Marima, 2018; Schwab, Gold & Reiner, 2018). However, unfavorable government policies, limited finance accessibility, ineffective management capacity and limited market information negatively impact the progress of SMEs. Available studies have not demonstrated the effect of the four variables combined on the progress of SMEs in Zimbabwe. Economic growth is one of the intervening variables which influence intensely the progress of SMEs in a similar way the progress of SMEs influences economic growth. Therefore, there is mutual connection between the two, that is, economic growth and SMEs growth. Ifekwem (2019) states that favorable government policies are indispensable factors for the growth and performance of SMEs. Runde, Savoy and Staguhn (2021) hold that accessible and affordable finances influence growth of SMEs. Kotler and Armstrong (2015) highlight the role of market information on progression of businesses. Ikupolati et al. (2017) underscores the relevance of management abilities for the progress of SMEs. However, there is scarcity of research that assesses the influence of the study's variables on the progress of SMEs in the country. Therefore, it is through consideration of this gap that the study purposed to assess the government policies, financial accessibility, managerial competency and marketing information on the progress of SMEs in Bulawayo Province in Zimbabwe.

1.3 Purpose of the Study

The study assessed the progress of SMEs in Bulawayo Province in Zimbabwe. The study determined the influence of government policies on the progress of SMEs in Bulawayo Province in Zimbabwe. The study also established the influence of financial accessibility on the progress of SMEs in Bulawayo Province in Zimbabwe. The proposed study assessed the influence of managerial competency on the progress of SME in Bulawayo Province in Zimbabwe. The research further determined the influence of market information on the progress

of SMEs in Bulawayo Province in Zimbabwe. The study's findings aimed to inform the policy makers and government on the strategies they can use to create an attractive business environment for SMEs to thrive.

1.4 Objectives of the Study

1.4.1 General Objective

The study assessed government policies, financial accessibility, managerial competency and marketing information on the progress of SMEs in Bulawayo Province in Zimbabwe.

1.4.2 Specific Objectives

i. To determine the influence of government policies on the progress of SMEs in Bulawayo Province in Zimbabwe.

ii. To establish the influence of financial accessibility on the progress of SMEs in Bulawayo Province in Zimbabwe.

iii. To assess the influence of managerial competency on the progress of SMEs in Bulawayo Province in Zimbabwe.

iv. To determine the influence of market information on the progress of SMEs in Bulawayo Province in Zimbabwe.

1.5 Research Questions

i. What is the influence of government policies on the progress of SMEs in Bulawayo Province in Zimbabwe?

ii. What is the influence of financial accessibility on the progress of SMEs in Bulawayo Province in Zimbabwe?

iii. What is the influence of managerial competency on the progress of SMEs in Zimbabwe in Bulawayo Province in Zimbabwe?

iv. What is the influence of market information on the progress of SMEs in Bulawayo Province in Zimbabwe?

1.6 Significance of the Study

Previous studies have given attention on particular variables that influence progress of SMEs (Ifekwen, 2019; Ikupati et al. 2017; Kotler, 2015; Runde, Savoy & Staguhn, 2021). However, the available studies have not determined the influence of the four variables (government policies, credit accessibility, management capacity and access to market information) together on the SMEs progress. Therefore, the study assessed the four variables to establish their impact on the progress of SMEs in efforts to close the existing gap. Effective implementation of the variables can enhance progress of SMEs.

The findings derived from the enquiry can inform the government as well as policy makers about the approaches they can adopt to create a favorable business environment for SMEs start-up and growth. Further, the study is intended to give input to the organizations supporting SMEs in various ways for them to create appropriate linkages and influence them to fully know the needs of SMEs. The enquiry's findings if embraced can be impetuses in establishing competitive and robust organizations for creating employment and stimulating economic growth in the country. In addition, the study can generate more literature on SMEs mostly in Zimbabwe and in other countries to add more value in the academic field.

The study sought to unearth the impediments that SMEs encounter in running their business to reap better returns. In this regard, the study recommends the strategies that the government can implement to confront those challenges it its endeavor to create a favorable business atmosphere for SMEs. In addition, the findings resulting from the study can enable entrepreneurs and managers of SMEs to develop improved and flexible management procedures for effective management. As well, the economic planners can utilize this knowledge to develop effective policies to improve SMEs sector performance. It is by studying these issues that the government can craft sound policies that can help SMEs advance the entrepreneurship abilities.

1.7 Scope of the Study

The study was carried out in Bulawayo Province in Zimbabwe. The independent variables (determinants for SMEs growth) for the study were: (1) government policies, (2) financial accessibility, (3) managerial competency and (4) market information. The dependent variable was progress of SMEs. The theories that informed the study were: (1) resource dependency theory, (2) pecking order theory, and (3) growth theory. The target population was the entrepreneurs and managers in small enterprises (employing 1-50 persons) and medium enterprises (employing 51-75 persons). The participants were purposively sampled to enable the investigator to collect primary data from the study's participants who possessed the needed information.

The study employed a self-developed close-ended questionnaire to collect primary data that was quantitatively analyzed to derive inferences from the variables. To measure the study variables, the study adopted a 5-point Likert scale to capture the degree of agreement or disagreement of each item on the scale of 5-1, where 5 = strongly agree, 4 = agree, 3 = neutral, 2 = disagree and, 1= strongly disagree. The researcher provided the questionnaire to the participants and gave them time to respond to it and it was picked later. The study was conducted between August 2023 and May 2024.

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1.8 Study Limitations

Some of the targeted respondents did not entirely participate in the survey. This might have been because of the busy schedules held by some entrepreneurs and managers. Some of the respondents felt that their business time was wasted. For that reason, some of the questionnaires were not answered.

There are many entrepreneurs in the study's setting in the SMEs sector. Due to time factor, it was not possible to involve a large sample size. A small sample size might have limited the generalizability of the study's findings.

1.9 Delimitations

The study followed the inclusion and exclusion criteria. It included the entrepreneurs and managers in the small enterprises (employing 1-50 persons) and medium enterprises (employing 51-75 persons). Enterprises with more than 75 workers were excluded because they did not fall in the grouping of SMEs but classified as large enterprises in the Zimbabwean context. Therefore, entrepreneurs and managers of the large enterprises were not involved in the study. As such, only those firms operating as SMEs and registered by the registrar of SMEs and operated in Bulawayo Province of Zimbabwe formed the study's population. The study intended to work with adult participants; in this case, minor entrepreneurs and persons below 18 years of age were excluded from the study.

1.10 Assumptions

The researcher abided to the assumption that SMEs progress because of favorable government policies, accessible finance, effective managerial capability and access to market information. The study also assumed that general economic growth intervenes for the progress of SMEs. The study held the supposition that the participants would satisfactorily cooperate and genuinely respond to the study's questions. In addition, the investigator held the assumption that the participants would accurately generate true, measurable and reliable results. The investigator also held the assumption that entrepreneurs in the SMEs sector would be privy of the elements that influence progress and performance of SMEs. The investigator formed the supposition that the findings retrieved from the study sample would be accurate and valid to give a general reflection about the progress of SMEs in Bulawayo Province in Zimbabwe. The

research assumed that the target population would not be affected by any eventuality that could influence the study's outcomes.

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1.11 Operational Definition of Key Terms

Financial Accessibility: It is the availability and affordability of finances for businesses. Without access to finance including credit, firms are limited to achieve their full progress potential. Limited financial access is one of the major limitations to the progress of SMEs (Samudzimu & Munkumba, 2022; Yoshino & Taghizadeh-Hesary, 2016).

Government Policies: These are government initiatives that can either encourage or discourage growth of SMEs. The execution of favorable government policies for SMEs' progress is an important element of the interventions of most governments for progress of businesses. SMEs that lack government supporting policies have limited opportunities for growth (Ifekwem, 2019).

Managerial Skills: This is the expertise of the people in the management positions to perform managerial tasks. These skills can be gained through the practical execution of needed tasks and activities. Effective managerial skills positively influence SMEs growth (Radipere & Scheers, 2014).

Market Information: Marketing information involves all information upon which market decisions are based. It is through market information that SMEs get knowledge of the attractiveness of the market and this enables them to gauge their performance as to whether they have the capacity to fulfil the demands of a specific market (Kotler & Armstrong, 2015).

Small and Medium Enterprises Progress: Progress is a situation of survival for small and young businesses. It is an indication of the return of the investment that the entrepreneur puts into business (Gancarczyk & Zabala-

Iturriagagoitia, 2015). Growing SMEs are able to support and fund their operations.

Small and Medium Enterprises: Small businesses are businesses with less than 50 employees and a medium-sized enterprise as one with less than 250 employees. In Zimbabwe, SME is a business organization that employs less than 75 workers (Edmore, 2017; Finscope MSME Survey Zimbabwe, 2012).

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CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter examines the published literature on assessing government policies, financial accessibility, managerial competency and marketing information on the progress of SMEs in Bulawayo Province in Zimbabwe. It defines the concept of SMEs, and reviews the key theories related to SMEs growth. It is by developing this chapter that a conceptual framework was developed.

2.2 The Concept and Scope of SMEs

The concept SMEs involves small and medium firms/businesses/companies employing a number of employees to generate revenues for developing businesses with a maximum of 250 workers. In Zimbabwe an SME refers to any business institution that employs less than 75 workers (Finscope MSME Survey Zimbabwe, 2015). The micro, small, and medium-sized enterprises (MSME) categorizes businesses into micro businesses, small businesses (employing 1-50 persons) and medium enterprises (employing 51-75 persons) and large enterprises (employs more than 75 workers) (Agwu & Emeti, 2014; Amoako et al. 2014). The related problems and other aspects are the differentiating characteristics of SMEs from big organizations and comprise of poor access to crucial market information, labor intensive, small size, use of outdated technology, family business, high production costs, poor access to international market, poor managerial proficiency, over-reliance on imported goods, low quality products, poor documentation, poor record keeping and poor research and development. The SME sector plays significant role to address unemployment problems in Zimbabwe by engaging millions of young people and ordinary populations. Available data indicates that an overall of 5.7 million citizens working are employed by the SMEs (Zimbabwe - FinScope MSME survey 2012, 2015). SMEs create numerous job opportunities as shown in the provided data: (in high income nations, SMEs together with informal businesses contribute more than 60

percent of GDP and 70 percent of entire employment in low income nations and form more than 95 percent of the entire employment and over 70 percent of GDP in average income nations (Amoako et al. 2014; Agwu & Emeti, 2014; Mabonga & Daniel, 2015). In addition, the sector is effective in alleviating poverty (Fatoki, 2014). Even though the impacts of wealth creation are scarce considering the low level of income amongst majority of SMEs, they undertake an important role as cushion against poverty and lessening both household and individual susceptibility.

According to World Bank the following factors hinder SMEs progress: access to finance (including collateral, SME accounting, leasing, and information asymmetry), regulatory and legal framework (including commercial legal framework, registration requirements, and licensing requirements) and small and medium support activities (including access to markets and business development service) (Yoshino & Taghizadeh-Hasary, 2016). Empirical studies demonstrate that these challenges are recurrent in nature, and they adversely affect growth of SMEs (Agwu & Emeti, 2014; Fatoki, 2014, Waweru & Ngugi, 2014). It can therefore be concluded that the common barriers obstructing growth of SMEs include inadequate capital, technology, human resources, marketing, distribution, policies and regulations that create market distortions, and expensive and lengthy bureaucratic procedures to obtain licenses.

2.3 Progress of SMEs in Zimbabwe

The SMEs sector is viewed as the locomotive of an economy because of its potential to absorb a significant number of jobless people. Globally, SMEs are considered as breeding parks for multinational corporations and the pillars of nationwide economic progress (Agwu & Emeti, 2014). In actual fact, SMEs have become a focus of discourse in different settings by various stakeholders because they influence growth of GDP, national economy and poverty alleviation (Amoako et al. 2014). Reviewed literature show that SMEs play indispensable roles in creating jobs, source of income, decentralizing economy, generating revenue by paying taxes and

contributing vastly to economic growth (Edmore, 2017; Gono 2013; Gombarume & Mavhunduste, 2014; Matsongoni & Mutambara, 2021). In other words, SMEs are catalysts of economic growth, effective job inventors, the breeding ground for large businesses and the drivers of economies of countries.

Researchers highlight that most SMEs encounter various barriers notwithstanding their multifaceted benefits to hasten progression and improve national economies. SMEs confront various challenges including limited access to credit, lack of proficient managers, harsh operating environment, a range of regulatory agencies, taxes, information asymmetry, insufficient market research, unfair competition, prohibitive collateral, high interest rates and lack of business strategy (Moyo & Moyo, 2017; Nyoni & Bonga, 2018).

Other barriers highlighted in the available literature that affect SMEs include bureaucracy, transparency and integrity issues, high rate of mortality, controlled market access, and inadequate proficiencies in international trade (Agwu & Emeto, 2014). These barriers negatively affect SMEs' progress potential to resuscitate the economy. Yoshino and Taghizadeh-Hesary (2016) held that there are factors of different kinds that have disadvantaged SMEs growth that include defaulting in credit schedules, limited equity base, ineffective managers, and high transaction charges to process credit appraisal.

Because of the vast influence of SMEs in the progress of world economies, the regulatory systems on economic growth have created the interest of policymakers (Mabonga & Daniel 2015; Parliament of Zimbabwe, 2010). On realizing the growth potential of SMEs in the economy, various countries introduced numerous policies for promoting SMEs progress (Yoshino & Taghizadeh-Hesary, 2016). These policies were purposed to help SMEs access finances, train entrepreneurs, and develop technologically.

Zimbabwe, similar to other developing nations in Africa provided high importance to SMEs early enough and followed support policies to ensure that these businesses become viable and

over the years SMEs have become key contributors to GDP. It is in this sense that SMEs are regarded as potential forces to resuscitate a plummeting economy (Gono, 2013). In this regard, any government that wants to improve its sinking economy has to provide for the progress of SMEs and investing in them.

The Zimbabwean regime has presented numerous initiatives to encourage progress of SMEs. Even though there are many intervention and protection policies; for instance the creation of the Small Enterprise Development Corporation (SEDCO), Ministry of SMEs and Cooperatives, and Venture Capital Company of Zimbabwe (VCCZ) and the prioritizing of SME sector is emphasized in all economic blueprints in the country, it is apparent that most SMEs are still confronting operational challenges revolving around legal system, tax preferences, credit and guarantee system, management and service agencies, financing structure, financing system, and financial assistance (Edmore, 2017; Matsongoni & Mutambara, 2021).

2.4 Empirical Literature

2.4.1 Government Policies and Progress of SMEs

The actions of a government can either encourage or discourage the growth of SMEs. As such, the execution of effective government policies for SMEs progress is an important element of the strategies of many governments to enhance growth of businesses (Ifekwem, 2019). It then follows that SMEs who lack government supporting policies have limited growth opportunities. It is in this line of argument that Musabayana, Mutambara and Ngwenya (2022) affirm that the progress of SMEs in the advanced countries has been realized through policies that encourage the advancement of the SME sector. Government policies have great significance on the growth of SMEs. Government establishments can as well impact the rate of growth of SMEs. For instance, public policies may influence the entrepreneurial patterns of a nation by presenting particular policies that enhance business activities and by establishing institutional structures favorable to entrepreneurship.

Musabayana, Mutambara & Ngwenya (2022) reiterate that it is important for governments to have good structures to make sure that their policies are executed and examined through the instruments they have established. The government's role to support SMEs is therefore important globally, as it can create a favorable or detrimental environment for entrepreneurship growth. This is particularly harmful when the regime gives little responsiveness to SMEs sector implying that these businesses are susceptible to suffer resulting to their inability to grow and survive. These sentiments are similar to those echoed by Musabayana, Mutambara and Ngwenya (2022) who stated that a regime that fails to support SMEs injures the sector besides experiencing stunted economic growth. The environment promoted by a government in form of wage's structure, licensing, infrastructure, taxation and technological support can create the way for growth or death of the SMEs.

The above postulations were further supported by Kamunge, Njeru and Tirimba (2014) who described the role of government in business by highlighting that the regulatory structures established by the regime can easily encourage or frustrate SMEs economy. It is further noted that harsh tax system, complex rules and regulations, unfair competition and unstable environment adversely impede SMEs growth. The legal obligations differ between countries and they influence the operations and growth of SMEs. For instance, in Nigeria it takes 350 days to acquire business licenses while in Kenya, it takes about three months to start a business (Benzing & Chu, 2012). Further, the taxes paid to the government vary with Nigeria getting 30% of aggregate profit while Ghana gets 33%. In addition, SMEs operating in African market go through lengthy and expensive delays because of the many processes and clearances required by various regulatory structures. These tough procedures established by government frustrate and negatively affect growth potential of SMEs.

The variances in the registration processes certainly imply that enthusiasm to SMEs business and sustained growth varies across countries. For instance, countries including Nigeria and

Kenya have created measures for supporting SMEs particularly in the informal business. The countries have also minimized government intrusions in entrepreneurial activities (Benzing & Chu, 2012). For example, Kenya puts various mechanisms to augment access to women and youth associations and SMEs by allocating some finances available through financial organizations and public initiatives (Musabayana, Mutambara & Ngwenya, 2022). It can then be inferred that positive growth of SMEs is a sign of the government's support and involvement in business activities.

The Monetary Policy Committee of the Reserve Bank of Zimbabwe has been changing interest rate often. For instance, the bank increased its main policy rate to a record of 200% from 80% in June 2022, stating that the rise in inflation was destabilizing consumer demand and confidence and if not monitored, it would deteriorate the important economic gains achieved previously. The inflation rate in the country rose to 191.6% in June 2022 from 131.7% in May (Trading Economics, 2022). As it is indicated in Figure 1, the Zimbabwe interest rate has been constant at 200% from June to the current period. Compared with the other African countries, the interest rate in Zimbabwe is exceedingly high and according to Trading Economics (2022) the increasing inflation, depreciation of the domestic currency and high interest rates have adversely affected investment and consumption.

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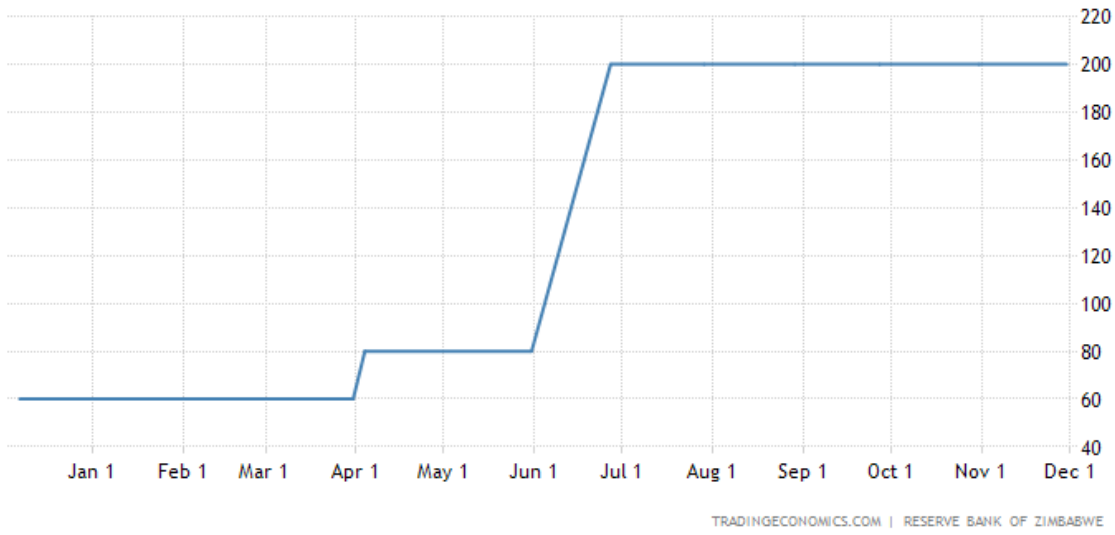

Figure 1 Zimbabwe Interest Rates in Year 2022

Source: Trading Economics, 2022

Zimbabwe is singled out as a country that introduced native policies to address the issue of control of the international businesses and also gave attention to SMEs which was welcomed by its people (Musabayana, Mutambara & Ngwenya, 2022). The Indigenization and Empowerment Policy (IEP) of Zimbabwe and Zimbabwe Industrial Development Policy (IDP) (2012-2016) was endorsed with the purpose to expand the economy by backing up the SMEs. The Zimbabwean IEP was endorsed into law with the aim to enable citizens to move the economy. The IDP is a plan of the government to help SMEs grow. These policies resulted to some positive outcomes including an increase of the total sum of SMEs and the participation of Black communities in business activities.

In Zimbabwe, SMEs assumed a central position and their significance was described by Wang (2016) by indicating that countries in the process of development, for instance Zimbabwe, SMEs are necessary for steering economic advancement. This opinion is maintained by Zvarivadza (2016) who explains that small businesses are initiatives of persons with ideas to run and operate successful businesses. Unfortunately, the policy system did not achieve much to expand the Zimbabwean economy. Block (2013) argued that the empowerment policy

harmfully impacted the capacity of the economy to interest foreign direct investments. Thus, it can be argued that the introduction of the native policies on the Zimbabwean economy negatively affected business operations.

Even though there have been many policy and protection interventions (for instance, the Ministry of Small and Medium Enterprises and Cooperatives, Small Enterprise Development Corporation (SEDCO) and VCCZ), it is unfortunate that most of SMEs still experience operational challenges that are related to legal system, tax preferences, financing structure, financing system, financial assistance, and tax preferences (Edmore, 2017). Edmore (2017) reiterates that institutional, regulatory and policy framework reforms have suppressed growth potential of SMEs. According to Samudzimu and Munkumba (2022) the harsh regulatory framework contributes to weak performance of SMEs in Zimbabwe.

Compared with previous researchers, Dumbu and Chandamoyo (2012) opine that the regulatory and internal environment in the country with regard to government SMEs funding, has been unattractive to the performance and development of SMEs sector. Lack of accessibility to loans, together with constraining legal structures, quality products, access to markets and registration bureaucracies jointly affect SMEs growth and performance. In a similar vein, the empirical facts from the study carried out by Samudzimu and Munkumba (2022) reveals that effectiveness of government-supported firms in SMEs funding is demoralized by policy and regulatory frameworks in financing processes of SMEs.

On the issue of government policies, the country has decreased the percentage of taxes payable in foreign currency as the nation attempts to moderate U.S dollar demand and halt the fast depreciation of the domestic currency. Zimbabwe reinstated its money after many years of dollarization; however it has gradually weakened because of pressure from severe foreign currency scarcities and little confidence in the economy's performance. The country's economy is stressed to recover after a lengthy duration of high rate of inflation and unpredictable policy

making (Banya, 2022). After forbidding the use of foreign currency for local transactions in June 2019, the country now permits the domestic currency to circulate along with the US dollar and other monies. Additionally, the government levies a slew of taxes in foreign currencies, including mining royalties, vehicle import duties, and taxes on export earnings. Critics argue that this policy demonstrates the government's lack of faith in the value of the national currency. Exporters in Zimbabwe pay up to 40 percent of their taxation in local money, while miners pay 50 percent of royalties in Zimbabwe dollars. Export taxes and royalties were previously taxed entirely in foreign money. The tax on imported vehicles, which was once paid wholly in foreign money, can today be split equally between domestic and foreign money (Banya, 2022). The government's actions demonstrate its dedication to promoting the greater usage of the Zimbabwe dollar and to steadily boosting economic growth in order to create long-lasting macroeconomic stability. Exporters, particularly miners, have criticized the payment of taxes in foreign currency for their sustainability. The domestic money has declined from 2.5 against the dollar when it was reintroduced to its present official market rate of 908.

2.4.2 Financial Accessibility and Progress of SMEs

There is an agreement in the reviewed studies that there are multiple drawbacks that obstruct the progress of entrepreneurial activities. For example, insufficient or lack of financing of the SMEs is one of them and the entrepreneurs mention it as a major challenge to their operation (Samudzimu & Munkumba, 2022; Yoshino & Taghizadeh-Hesary, 2016). Without adequate funding of businesses, challenges in the registration processes and collateral, progress of SMEs remains a challenge as they try to develop to bigger firms. Studies indicate that entrepreneurs and directors of SMEs regularly list access to finances as the first limitation to the progress of their businesses.

Financing of SMEs is still a perturbing issue necessitating the governments to take more initiatives to support SMEs growth, because without it there is the actual danger of undersized

economic growth. In this case, Watambwa and Shilongo (2016) assert the subject of security on loaning is contentious in SMEs growth and majority of them do not function efficaciously in the economy as expected. Because of the many problems to access finance, emergent SMEs who should constitute a significant number of businesses, are unlikely to actively play a part in the economy.

Bank credits are unaffordable and even costly to emerging SMEs. Family and personal savings may be inadequate to start and run a meaningful business. Furthermore, on the issue of finance accessibility, Maunganidze (2017) indicates that a significant percentage of SMEs in developing nations fail within twenty four months of their introduction and activity mainly because of inadequate funds. Sustainability of SMEs depends on sufficient funding which means that accessible funding is central in transforming businesses. However, when accessing capital, SMEs encounter administrative limitations with financial institutions who introduce lengthy processes and costs which become a burden to SMEs.

Inadequate financing in Zimbabwe is a key problem facing entrepreneurs indicating the need to develop strategies for supporting the SME sector (Watambwa & Shilongo, 2016). In the same vein, Njanike (2019) alluded that the challenges facing SMEs include financing, inaccessible funding institutions and regulations resulting to stunted growth of SME sector. These challenges in relation to the Zimbabwean context are tied to the factors stated which deal with accessibility and mainly the crucial factors of costs of finances from financial establishments, which are attributed for sluggish progress of SMEs. Similarly, the SME business policies characterized by financial intermediaries again exert pressure on the SMEs progress opportunities with many ambitious SMEs being left out to get finances (Samudzimu & Munkumba, 2022). As such, the financial institutions for SMEs funding need to reform to make sure that they have favorable conditions and financial services to support progress and sustainability of SME sector in the country.

In essence, the inflated fee of funds is one of the causes why some businesses fail to pay back their credits and at present, most money lending institutions that are affiliated to the government, charge about 55 percent interest rates of short-term loans by the businesses (Samudzimu & Munkumba, 2022). The effect is that capital becomes expensive, making entrepreneurs to ultimately forfeit their property they could have given as security when SME takes time to do well because of weak economic performance (McGuinness & Hogan (2016). Moreover, the business environment in Zimbabwe is described by these impeding high rates and therefore SMEs are cautious to shoulder the risk of borrowing from financial institutions and SEDCO and they finally become discouraged to pursue investment opportunities, worrying that they might forfeit their property because of failure to pay the debts.

SMEs slow growth arises from the factors which limit access to financing through rigid business and legal environment. For instance, the macro-economic and monetary policies that are followed by the Zimbabwean government impact operations of SMEs. The research executed by Hanedar, Altunbas and Bazzana (2014) established that in situations formal sources of funding are obtainable; it is observed that the SMEs are not able to access them because of the challenges experienced during the application processes that demand ability to repay and credit merit.

Debt from financial institutions is costly. For example, Commercial Bank of Zimbabwe, Ecobank, NMB Bank and Agribank in the country charge 55 percent on bank loans to SME sector. Compared with the developed nations, these charges are extremely high. Along with that, the legal procedures in the developed countries are less burdensome and hence easing access to money lending institutions (Samudzimu & Munkumba, 2022). Similarly, Davies, Turay and Koroma (2022) established that high interest rates and emphasis on other requirements in efforts to enforce bank laws, influences commercial banks' readiness to lend to SMEs.

2.4.3 Managerial Capacity and Progress of SMEs

SMEs in developing nations do not get funds from public funding institutions because they fail to justify their abilities to maintain their activities. Some SMEs also fail because they do not employ competent accountants who are acquainted with accounting standards (Samudzimu & Munkumba, 2022). The same authors argue that employing and retaining proficient staff is necessary to move the performance of businesses more competently. This assertion is reinforced by Radipere and Scheers (2014) who opine that skills deficiency negatively affects the ability of SMEs to manage human resources.

Managerial proficiency becomes a key factor that impacts SMEs ability to attract financing because perceptions show that there is no assurance that money will not be properly managed. It is in this context that Samudzimu and Munkumba (2022) posits that the elevated level of SMEs unacceptable letdowns in the country can be associated with managerial deficiencies of the emergent businesses, pointing to the need for capacity reinforcement and financial management which are central for the SMEs success.

Even though SMEs are indispensable vehicles for addressing job creation, sustainable economic growth, enhancing economic development and distribution of wealth in regions, their progress is often affected by various challenges (Fatoki (2014). This results to their high failure rate. As indicated by Fatoki (2014) internal factors including managerial deficiencies, inadequate staff training and development, and absence of functional skills adversely affect growth of SMEs. In the same vein, Magaisa and Matipira (2017) indicate that SMEs assign low importance to training. It is on this basis that the author recommends training to be done in such areas as financial management business planning, strategic marketing, information technology and general business management.

Other studies also ascribe ineffective management to SMEs failure as businesses move from one stage of growth to the other (Magaisa & Matipira, 2017). The progress of SMEs presents

varying leadership needs and needs for diverse managerial capabilities. In this regard, businesses that do not employ professional managers are more likely to fail. Tied to the previous literature, leadership or management errors are some of the major causes of SMEs failure (Magaisa & Matipira, 2017). The common leadership faults that result to venture failures are: lack of financial accountability and responsibility, absence of clear focus, entering into business with wrong reasons and lack of market awareness.

Available literature provides answers to the issue of how various factors impact growth. However, in the perspective of Ikupolati et al. (2017) these studies generally do not explain the fundamental practices why these factors may influence growth. Taking a different path from previous researchers, Ikupolati et al. (2017) investigated entrepreneurs' managerial proficiencies as factors for progress of SMEs. The study achieved its objectives by finding out the effect of businesspersons' conceptual proficiencies and forming the influence of businesspersons' technical proficiencies on the progress of SMEs. In harmony with the findings of previous studies, their findings showed that the entrepreneurs' technical and conceptual proficiencies influence the managerial abilities of the entrepreneurs resulting to growth of SMEs. As it is derived for Ikupolati et al. (2017) study it is evident that managerial skills in terms of conceptual knowledge and technical skills are necessary for entrepreneurs in efforts to leverage growth and progress of SMEs.

A review of literature shows that 40 percent of new enterprises collapse during their first year, 60 percent in their next year, and 90 percent during their first decade of operation (Radipere & Scheers, 2014). These statistics influenced the authors to establish whether lack of managerial and marketing proficiencies among entrepreneurs contribute to the high level of business failures. Similar to the findings of earlier studies, the authors attributed business failure to lack of managerial skills including human resource management, financial and marketing proficiencies, required to run businesses effectively. In Congruence with the findings of

Magaisa and Matipira (2017), the study carried out by Radipere and Scheers (2014) confirms the need to train business owners because they lack education and proper managerial skills to manage business ventures. Similar to other studies, their study indicated that the participants' managerial skills did not correlate with what they should have to guarantee growth and progress of SMEs.

2.4.4 Market Information and Progress of SMEs

Market information system involves the facts and information which is used in making marketing decisions and which influences the marketing operations of the business. In other words, marketing information involves all information upon which market decisions are based (Kotler, 2015). As such, information is a key necessity of an organization. Marketing information is more focused on the outside actions which are diverse and dynamic. The information retrieved from the market is fast and multifaceted.

Market information is a necessary determinant for SMEs growth. It is through market information that SMEs get knowledge of the attractiveness of the market and this enables them to gauge their performance as to whether they have the capacity to fulfil the demands of a specific market (Kotler & Armstrong, 2015). The need for marketing information is experienced by every business and this is because all enterprises operate in complex and unpredictable environment.

Businesses of all kinds have to constantly acclimatize themselves to the changing environment. This can be actualized when they have the information about the changes taking place in the business environment. In other words, organizations are largely prone to the incessant changes in the marketing environment. Thus, marketing information becomes essential to them for their long-term survival and growth. The above postulations can be related to those of Magaisa (2017) who states that SMEs in Zimbabwe fail to operate effectively because of insufficient market information, market trends and market opportunities.

In our present times of consumer centric marketing strategies, no organization can survive and grow devoid of clear knowledge of its consumers. The sure way to get that knowledge is through marketing information. The fact that consumers have to be attended, their wants, needs, likings and dislikes are very significant for the organization. Devoid of this knowledge an organization cannot effectively fulfil the needs of its market. In the same vein, consumers' tastes and preferences are regularly changing and this compels businesses to have adequate knowledge to enable them to adapt to these changes and survive (Kotler, 2015). Mugogo and Midala (2020) established that deficiency of market information is a major obstacle that constrains the growth of SMEs. Specifically, low access and limited use of modern technological information, lack of internet services and insufficient knowledge of market and demand are some of the factors associated with marketing information that constrain the growth of SMEs.

Marketing information relating to marketing innovation and technological advancement should be embraced by the firms that intend to grow. In relation to this assertion, technology lays the foundation for the production activities. Organizations execute large scale production through technology which provides them with competitive advantage against its competitors. Organizations can upgrade the standard of their goods, cost of production and its process by using the newest and latest technology (Magaisa, 2017). As it can be inferred from these assertions, marketing information goes hand-in-hand with technological development. Essentially, businesses that embrace the marketing information and technological development have higher chances to perform better. This becomes possible when an organization is at pace with technological changes and constantly adapts itself to it.

2.5 Research Gaps

In light of the reviewed literature, progress of SMEs is influenced by various factors and this is largely attributed to favorable business environment. A plethora of studies at the global level

have researched on the elements that influence growth of SMEs: regulatory and policy frameworks, access to finance, cost of credit, and managerial and marketing skills (Edmore, 2017; Fatoki 2014; Karedzca, 2014; Magaisa, 2017 Musabaya et al. 2020; Redipere & Scheers, 2014; Samudzimu & Munkumba, 2022). However, there is paucity of studies that have combined the four independent variables of the study to evaluate their impact on the progress of SMEs in the Zimbabwean context. The researcher established that the four variables had not been adequately researched and they favored or undermined the progress of SMEs. Hence, it was imperative to study their influence on the progress of SMEs. This is one of the study gaps that the study intended to address.

One of the independent variables for the study was market information. A thorough scrutiny of the available literature found few researches that had assessed the correlation between market information and progress of SMEs. In addition, some of the studies were outdated to inform the study. Some of the researchers who had explored the impact of marketing information on progress of SMEs were Magaisa (2017), Mugogo and Midala (2020) and Moorthy et al. (2012). However, these studies were few to generalize the results on the correlation between market information and progress of SMEs. In this case, the study also purposed to study this variable and contribute to the available literature.

Despite the fact that the four independent variables had been individually examined in different studies and in diverse areas of the world, it is apparent that they had either positively or negatively influenced progress of SMEs (Agwu & Emeti, 2014; Asah et al. 2020; Davies et al. 2022; Fatoki, 2014; Hanedar et al. 2014; Ifekwem, 2019; Ikupolati et al. 2017). The four variables had been individually studied in the context of business environment of the respective countries. Business environment differs from one nation to another and in that regard this scholarly work studied the influence of the study's variables on the progress of SMEs in the

Zimbabwean context and in so doing establish if there were similarities or differences with the findings of the previous studies.

Even though there are plentiful government initiatives and policies that support SMEs (Edmore, 2017; Gono, 2012: Musabayana et al. 2022) there lacks sufficient evidence to show that the SMEs sector is progressing in Zimbabwe. From the analysis of the available literature, the researcher found a gap on the growth or performance of SMEs which called for an interrogation of the determinants that influence growth and progress of SMEs. There lacked adequate studies to demonstrate effectiveness of government policies on the progress of SMEs. Therefore, it is in light of this framework that the study purposed to explore the influence of the study's variables on the progress of SMEs.

2.6 Theoretical Framework

2.6.1 Resource Dependency Theory

Resource dependency theory (RDT) is focused on the organization's capacity to create relationships in efforts to acquire resources (Van Witteloostuijn & Boone, 2006). The RDT holds that the firm makes active priorities towards achieving goals. A key principle of RDT is resource scarcity, leading in many firms to compete for these resources. According to Barney and Arikan (2001), resources are the assets that an organization can use to implement their strategies. From the perspective of RDT, organizations depend upon other players in the proximate environment to get resources. For survival, organizations have to get resources from players in the macro environment. The justification to use RDT for this research is for the reason that it provides an understanding of how SMEs are affected by external uncertainties and constraints including government policies and bank policies. By stating that SMEs are not self-reliant and must get resources from other firms to progress, the theory underscores the need for inter-organizational affiliations.

Resource dependency model can as well be used to understand an organization's needs to acquire resources required for their growth. In this sense, and as applied in the proposed study, RDT explains how SMEs acquire resources to implement their strategies for growth. According to Hessels and Terjesen (2010) SMEs have inadequate organization resources, especially when likened with big businesses and they therefore depend on financial institutions to get resources for their progress.

The SMEs require resources for various operations including starting capital, research and development, market development, improving skills, acquiring raw materials, capacity and technology to be competitive in the business. SMEs acquire human resources from the environment for the reason that they need people with managerial skills to run the business. The SMEs benefit when these resources are usually available and easily accessible. For instance, if lending policies are complicated and credit costs are high, they negatively affect SMEs operations. On the converse, if finances are easily accessible propensity for growth of SMEs may be better. Lack of accessibility to finances for investment is a major impediment for the progress of SMEs. The model holds that credit accessibility facilitates SMEs to spend in productive businesses that can boost their production resulting to their expansion in productivity and hiring new, more and competent workers.

2.6.2 The Pecking Order Theory

The theory was initially coined by Donaldson in 1961 and it was afterwards revised by Myers and Majiluf in 1984 (Myers & Majiluf, 1984). Pecking order theory (POT) refers to the model concerning the capital structure of an organization where the management team follows a certain hierarchy when selecting the sources of finance for the organization where according to the hierarchy, first priority is given to internal financing, then to external sources when adequate funds cannot be generated through internal financing where debt concern will be deliberated to raise funds and lastly the equity if the funds cannot be generated through debt. The justification

to employ POT for this research is that the theory helps the researcher to explore the fundamental reasons for funding preferences and the effects of such selections on SMEs performance and progress.

The main criticism of the POT is that it considers financing as the central element for growth of SMEs. Financing is the adhesive that supports all components of an organization together. This is because for all SMEs to be in a position to progress and develop it is undeniable that financial aid from different financing institutions is imperative. According to Samudzimu and Munkumba (2022) this financial aid, in a situation where private financing in Zimbabwe is actually insignificant necessitates government to assume an advanced dynamic role. However, this is a different situation. In this regard, it is to be accentuated that such areas of support in different ways of undertakings of SMEs, are continuous developments, which usually need funding for the SMEs to be highly competitive for many years of operations.

Due to inadequate funding in Zimbabwe, the SMEs are susceptible to various risks and therefore hinder their progress to larger enterprises (Gombarume & Mavhunduste, 2014). SMEs generally have inadequate finances and this compels them to rely on their customers (Matsongoni & Mutambara, 2021; Nyoni & Bonga, 2018). They also lack positive credit history which affects their abilities to appeal financing and are thus perceived very risky to fund especially through private funds, making the government-supported funding as the most attractive funding choice.

The POT holds that, hierarchically, funding pattern of organizations includes stakeholders in a funding system (Myers & Majiluf, 1984). Therefore, SMEs owners or managers are required to give adequate information asymmetric given that they are cognizant about their SMEs, for example, the organization's economic progress and its credit worthiness. Thus, financing data depends on the entrepreneurs to give this information to enable financiers to make informed decisions. In addition, for new underfunded SMEs to function, they are not able to compete and

sustain their activities given that most of them are exposed to failure within their first phases of inception than adequately financed business. Therefore, it implies that funding is a driving force and it should be easily accessible to SMEs.

Evidence from literature indicates that without sufficient financing from the governments at affordable rates, many SMEs risk collapsing (Karedzca et al. 2014; Runde, Savoy & Staguhn, 2021). The POT holds that support has to be given even if it demands a government to consider private funding to back the policies that can heighten SMEs growth. This has to be conducted with a firm objective and intention to avoid any hindrances on SMEs progress and advancement. Studies have indicated that an inaccessible fund is a major obstacle towards SMEs progress.

The above assertions justify the premise that governments should play active roles to support SMEs through financing. According to Samudzimu and Munkumba (2022) Zimbabwean SMEs lack access to external funds from recognized sources compared with big firms with sound credit milestone and have also established formal affiliations with private capital. SMEs find it extremely challenging to get funds for their businesses. Large firms are favored financially for the reason that they have a resilient enterprise competence and are perceptibly of low risks. For instance, banks prefer financing large firms and they finance them at moderately lower rates since they have credit worth milestone besides ability to repay debts, leaving government-supported funding the most preferred alternative for SMEs.

Essentially, the pecking order theory as envisioned in government-supported funding, gives emphasis on SMEs that seek an optimum leverage. This requires the government to reconsider its intervention role as an important decision to facilitate growth of SMEs because it appears that funds from banks are not appropriate to support financing to SMEs at lower interest rates. As such, the government should provide cheap capital to support SMEs. Because of inadequate and inaccessible government-supported funding, it can influence SMEs progress trajectory

limitations and also defines why SMEs fail to attain their desired levels to give a substantial impact in the progress of a nation.

In Zimbabwe, government-supported funding is crucial for SMEs growth. However, in the light of the pecking order theory, it is indicated that the conditions put in place by the financial organizations that are government supported fail to consider the interests of SMEs to facilitate their development. The SMEs are usually very useful businesses in regions where they are given full support to get the funds in the sense that they can effortlessly operate in smaller business environment (Asah, Louw & Williams, 2020). However, SMEs in Zimbabwean context experience problems that affect growth because of limited funding and accessibility, capital is insufficient, thus obstructing the progress opportunities of the SMEs. It is necessary to support SMEs because they have better potential to create employment opportunities irrespective of their sluggish growth in developing nations.

2.6.3 Growth Theory

According to Lucas (1978), entrepreneurs are central factors in the growth, progress and performance of businesses. The theorist opines that people have different talents of managerial proficiencies of business expertise. These differences, in the perspective of Lucas, are central determining factors of enterprise development. He also reasons that businesses with good managerial abilities are more effective and efficient such that they function at lower average cost curves and tend to increase their output. On the converse, organizations with people of lower talents of managerial competency are more likely to fail. As such SMEs, growth or failure is dependent on the managerial skills endowed with the entrepreneurs. The justification to consider this theory for this research is that it provides a valuable perspective on the need for effective management skills and technological innovation in forming progress trajectories. The model is necessary for developing effective strategies that can promote growth of SMEs.

2.7 Conceptual Framework

The conceptual framework shows the factors or determinants that influence the progress of SMEs. This is presented in Figure 2 below. The determinants for progress of SMEs are government policies, financial accessibility, managerial skills and market information. The four determinants are the independent variables while the dependent variable is the progress of SMEs. Economic growth is one of the intervening variables which influence intensely the progress of SMEs in a similar way the progress of SMEs influences economic growth. Therefore, there is mutual connection between the two, that is, economic growth and SMEs growth.

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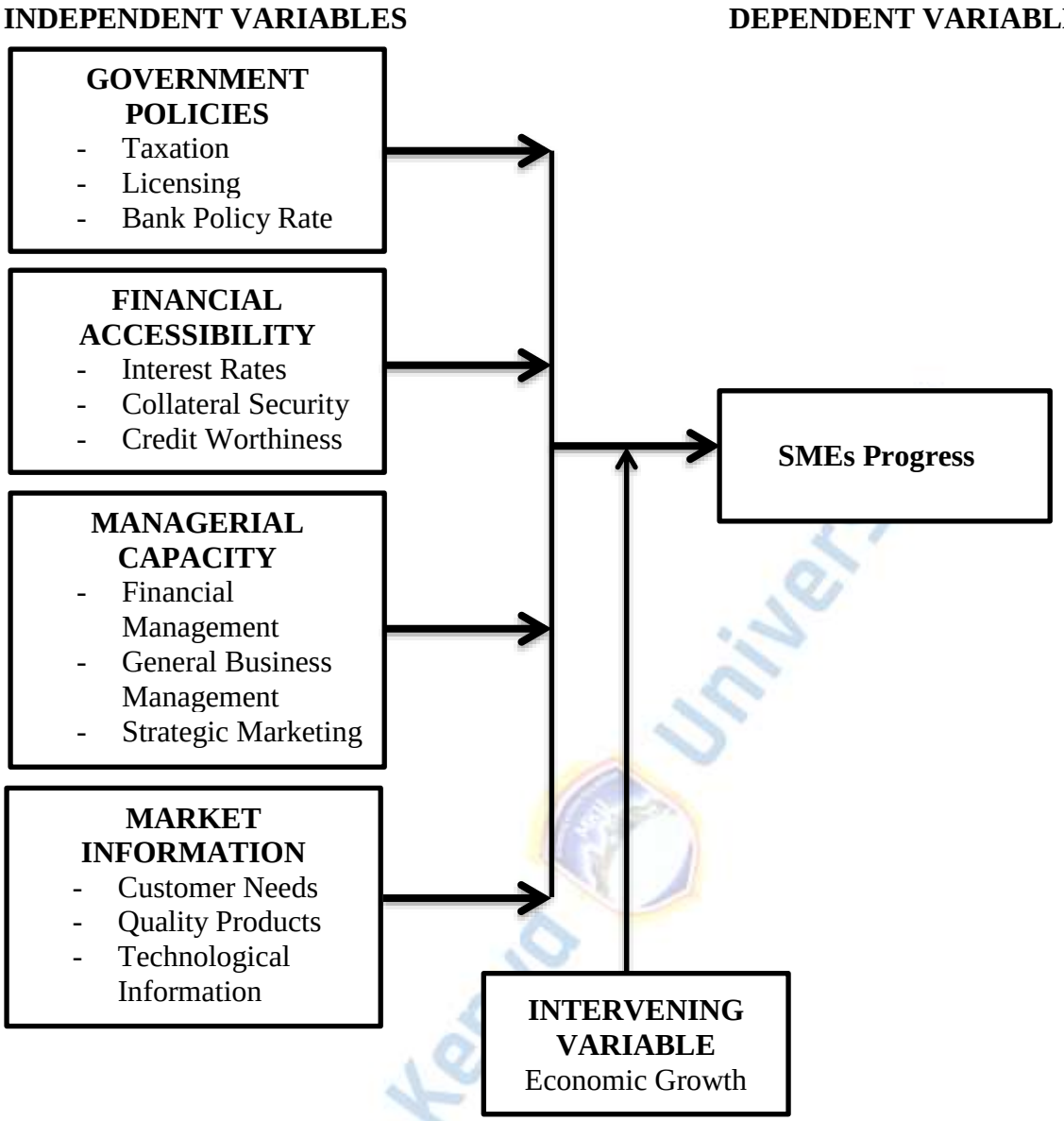

Figure 2 Conceptual Framework of the Relationship between the Variables

Source: Researcher, 2024

2.8 Recap of Literature Review

The section studied the previous published works on the influence of the four variables (government policies, financial accessibility, managerial skills and market information) on the progress of SMEs. Generally, SMEs are movers of the world economy because of their potential to employ a sizeable percentage of the unemployed populations and contributing to the growth of GDP. Even though SMEs have multiple benefits in Zimbabwe, they also encounter various

barriers that affect their progress. According to Moyo and Moyo (2017), Ngoni and Bongo (2018), Agwu and Emeto (2014) and Taghizadeh-Hesary (2016), some of the barriers limiting progress of SMEs in the country are limited access to credit, lack of proficient managers, harsh operating environment, a range of regulatory agencies, high taxes, and insufficient market research, prohibitive collateral and high interest rates.

The SMEs who lack favorable government support policies have constrained opportunities for growth. Government policies can influence the business patterns of a nation by providing particular policies for promoting business activities (Musabayana, Mutambara & Ngwenya, 2022). A significant percentage of SMEs in developing nations do not prosper within two years of their inception largely because of challenges to access finance (Maunganidze, 2017). Financial cost is high at an average of 55% interest rates of short-term loans (Samudzimu & Munkumba, 2022). In this case, capital becomes very expensive resulting to multiple challenges to operate SMEs. A review of the literature established that SMEs fail to progress because they do not employ competent managers. The above authors opine that the high level of SMEs unacceptable failure is associated with managerial deficiencies. Market information is an essential factor for SMEs growth. However, Magaisa (2017) finds that SMEs in Zimbabwe fail to grow because of inadequate market information.

The study established paucity of research to address the influence of the four variables: government policies, finance access, managerial capacity, and market information on the progress of SMEs in the Zimbabwean context. For example, the available studies are inadequate to generalize the results on the correlation between market information and progress of SMEs (Magaisa, 2017; Mugogo & Midala, 2020; Moorthy et al. (2012). Also, the variables have been individually studied in the context of business environment of different countries. Business environment varies in different countries and therefore the study assessed the influence of the four variables on the progress of SMEs in the Zimbabwean context.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The objective of this quantitative study was to assess the progress of SMEs in Bulawayo Province in Zimbabwe. This chapter describes the research methodology including research design, target population and sample size, study technique, construction of the questionnaire. Other sections will also be discussed in the chapter.

3.2 Research Design

Creswell (2014) describes research design as the general blueprint for linking the conceptual study aspects to the practicable and relevant statistical study. It presents a specific path for processes in the study. It is a systematic process that researchers use before the data gathering and analysis processes commence. The survey adopted a descriptive quantitative research design which is simply a quantitative research method. It was a quantitative research study that used a self-developed questionnaire to quantifiable data. A descriptive research design gets quantitative data to methodically define the study's population, phenomenon or situation and it is usually quantifiable data (Khalid, 2017). The method describes a situation accurately. For the study, a descriptive quantitative research methodology enabled the scholar to collect quantifiable data of the population sample for statistical analysis.

Research design defines the type of analysis that will be carried out to get the anticipated outcomes. It describes the kind of data that will be needed to generate answers to the research problem. As such, Jongbo (2014) opines that a research design should have a method for interpreting data that has been analyzed to derive reliable findings and conclusions that will enable the researcher to develop recommendations from the study. The collected data and methods used were appropriate to generate reliable answers to the study's questions. Creswell (2014) holds that a study design expresses the scope applied in research and it can be descriptive, explanatory, evaluative, explorative or predictive. In the same vein, Asenabi (2019)

postulate that research design is composed of three classes including quantitative, qualitative, and mixed method. The study employed a descriptive quantitative research design because it entailed collection of quantifiable and systematic data that was applied for statistical analysis to develop the next chapter.

3.3 Target Population

Population is the total number of persons from which the sample can be drawn (Saunders, Lewis & Thornhill (2019). The population comprises all people who the investigator considers to obtain data and make conclusions. They are the individuals, things or events that the investigator intends to study. A correct determination of the population is a necessary activity in a study because it lays the ground upon which the sample will be extracted. The target population is the base for generalizing the study's findings.

The population for the study composed of 2,600 owners and managers operating SMEs in Bulawayo Province in Zimbabwe (Kazunga, 2020). The data was as provided in the Bulawayo Chamber of SMEs database. As such, only those firms that operated as SMEs and registered by the registrar of SMEs and operated in Bulawayo Province of Zimbabwe constituted the study's population. The assumption was construed that the participants engaged in the study on the premise that they were the appropriate subjects who were conversant with the progress of their SMEs. It is from these participants that the researcher collected data to inform the study's objective on assessing progress of SMEs in Bulawayo Province in Zimbabwe.

3.4 Sampling Criteria and Techniques

Sampling is the process of choosing a few items or people from a larger collection to be the base for approximating the occurrence of an indefinite situation, outcome or information about a larger group (Bryman & Bell, 2015). A sample is a subset of a larger collection of beings or things who are involved in the study. In other words, it is a collection of people or items that the investigator is concerned in. A sample size represents the entire population to enable the

investigator to have a wide perspective of the findings from the sample to the whole population (Creswell, 2014). Sampling is performed because of time and financial constraints because it is unworkable to survey the whole population.

The study relied on purposive sampling for the reason that it intended to involve entrepreneurs and managers who operate SMEs in Bulawayo Province in Zimbabwe. Purposive sampling enabled the investigator to employ cases that possessed the needed information while taking into consideration the objectives of the study. The motive to use purposive sampling derived from the assumption that owners involved in SMEs were privy of the variables that influenced progress of SMEs.

The study followed the inclusion and exclusion criteria. It included the entrepreneurs and managers in the small enterprises (employing 1-50 persons) and medium enterprises (employing 51-75 persons). Enterprises with more than 75 workers were excluded because they did not fall in the grouping of SMEs but classified as large enterprises in the Zimbabwean context. Therefore, entrepreneurs and managers of the large enterprises were not involved in the study. As such, only those firms operating as SMEs and registered by the registrar of SMEs and operated in Bulawayo Province of Zimbabwe formed the study's population. The study intended to work with adult participants; in this case, minor entrepreneurs and persons below 18 years of age were excluded from the study.

The study was based on quantitative technique that involved collection of quantitative data for statistical analysis that represented the variables that influenced progress of SMEs in Bulawayo in Zimbabwe. It was a quantitative study in the sense that a self-developed questionnaire was distributed to gather quantifiable information for statistical analysis of the research questions. In the perspective of Allibang (2020) quantitative study uses quantifiable data for developing facts and explaining trends about research problem. In this case, the researcher intended to assess the progress of SMEs in Bulawayo Province in Zimbabwe.

It is through quantitative data that the researcher converted raw numbers assigned to the variables into meaningful data that provided answers to the four specific objectives of the study. The researcher preferred the quantitative technique as the most appropriate for the study for the reason that enabled statistical analysis to find out the correlation between the variables. Quantitative technique analyzes the research problem by transforming statistical figures to make meaningful information (Kumar, 2012; Saunders, Lewis & Thornhill, 2019). Quantitative technique provides the ground to accept or reject a hypothesis. Hence, the need for testing hypothesis and using statistical data was necessary for the study to examine if there was statistically significant correlation between the variables. Quantitative method involves measures that produce quantifiable numbers. The method uses close-structured questionnaires to facilitate application of statistical measures (Rovai et al., 2014). The same authors opine that for purposes of a study, the objectives should have small convenient sections which make the research objectives or hypotheses easily understood.

3.5 Sample Size

There were 2,600 registered SMEs in Bulawayo Province in Zimbabwe comprising of a total of 2,600 owners/managers (Kazunga, 2020). Therefore, the population for the study was 2,600 participants. The survey used Slovin's (1960) formula to determine the sample size which is provided below.

$$n = N / (1 + Ne^2)$$

Where:

N is the population size or total population

n is the sample size

e is the margin of error

A 95% confidence level and ±5% margin of error was assumed in the study and the sample size computed as follows:

$$n = 2600/ (1+2600 (0.05)^2$$

$$n = 347$$

Thus, the sample for the study composed of 347 entrepreneurs and managers of the registered SMEs in Bulawayo Province in Zimbabwe. The study managed to collect data from 229 participants representing 65.99% response rate. Therefore, the actual sample size was 229 owners and managers of SMEs. The small sample used to test reliability involved 15 participants who were randomly picked from the large population. Only those firms that operated as SMEs and registered by the registrar of SMEs and situated in Bulawayo Province of Zimbabwe formed the study's population.

3.6 Construction of the Questionnaire

A self-developed close-structured questionnaire was employed to collect data from a representative sample of entrepreneurs and managers in the SMEs sector. The study aimed to get views concerning the variables that influence progress of SMEs in Bulawayo Province in Zimbabwe. A close-ended questionnaire is an effective data collection tool for obtaining objective information because it does not create space for the study participants to be influenced by the researcher (Saunders, Lewis & Thornhill, 2019). The structure of a questionnaire is vital to ensure collection of accurate and reliable information for generalizing the study's findings. A poorly developed questionnaire makes it challenging to interpret results and it also influences derivation of inaccurate conclusions. The questionnaire was self-developed and it consisted of close-ended questions that provided answers to the four research questions. Close-ended questions give a chance to the respondents to provide their choices in choosing one or more answers from the list of answers provided (Saunders, Lewis & Thornhill, 2019). Close-structured questions are appropriate if the ranges of answers are known and the choices limited. The study adopted a 5-point Likert scale format with levels 5 to 1 will to classify the answers to the questions. A Likert scale enables the investigator to measure the strength of a given

situation, opinion or statement. For questions that necessitate giving opinions, a scale comprising of a set of answers is ideal (Allibang, 2020; Saunders, Lewis & Thornhill, 2019). In such situations, Likert scale format is usually applied. As indicated earlier, the study employed a self-developed questionnaire to measure the study variables that captured the level of agreement or disagreement on a scale of 5-1, where 5-strongly agree, 4-agree, 3-fairly agree, 2-disagree, and 1-strongly disagree.

The use of Likert scale format for the study was preferred for the reason that it enabled the researcher to assign and get numerical values for the study variables that facilitated statistical analysis. The questionnaire consisted of the four broad questions for the study that focused on government policies, financial accessibility, managerial capacity and market information. The researcher gave more consideration to both word and sentence length to ensure that they were short and easily understood.

3.7 Testing for Validity and Reliability

Validity articulates the extent to which a measurement measures what it intends to measure (Bryman & Bell, 2015). Validity can be grouped into two broad classifications that is: internal and external validity. Internal validity denotes how correctly the measures got from the study in reality compute what is intended to measure. In contrast, external validity is how correctly the measures found from the research sample describe the population from which the research sample was extracted (Cooper & Schindler, 2011).

With regard to survey, face validity which is the extent to which a test measures what is intended to measure and content validity which is the degree to which a measure characterizes all aspects of the construct or topic were considered (Kumar, 2012). The face and content validity for the study were derived by having sample participants and a research expert assess if the questionnaire measured what it aimed to measure. As such, the entire appropriate changes on

wording, syntax, and structure of the research instrument and other queries proposed by experts were integrated to increase the questionnaire's validity.

Reliability denotes the level of accuracy or uniformity with which a research instrument measures the attributes it is envisioned to measure. It shows the accuracy of the research instrument. An effective measuring instrument should provide the same response if an equal question is subjected to the respondents on several occasions in a short duration of time and it is realizable by carrying out a test-retest – distributing the same research instrument to the respondents frequently to define the consistency of the answers provided (Saunders, Lewis & Thornhill, 2019; Cooper & Schindler, 2011). To establish the reliability of the research instrument, the drafted questionnaires were administered to a small sample of respondents for pilot testing. The Cronbach's reliability data indicated the following results: government policies = 0.761, financial accessibility = 0.725, managerial competence = 0.814 and marketing information = 0.789. All the variables showed reliability statistics > 0.7 to explain their reliability for the study.

3.8 Pilot Study

A well-developed and quality questionnaire ensures that study respondents comprehend the items contained in it. The understanding of the respondents can be affected by structure of the instrument, educational background and language skills. According to Saunders, Lewis and Thornhill (2019), it is imperative to pre-test the questionnaire before it is administered to the target population. Pre-testing starts the process to review and revise questions. The key motive for pre-testing is to assess whether interviewees understand and interpret questions consistently, as envisioned by the researcher. Pre-testing the questionnaire is intended to evaluate the suitability of the questions. Pilot study assesses the practicality of cost, time, and adverse situations, and serves to advance the research instrument and study design before the actual data gathering process.

The drafted questionnaire was administered to 15 participants picked from SME owners and managers who matched the prospective participants who composed the targeted population but they were not involved in the ultimate sample. The interviewees were requested to evaluate the flow, readability and validity of the research tool while at the same identifying irrelevant and poorly phrased questions. The investigator asked the interviewees to state the time they needed to respond to the questions. It is after pilot testing that all the concerns raised were rectified. The internal constancy for the items that measure the same concepts were assessed through Cronbach's alpha. To find out reliability of the questionnaire, the study variables were expected to score reliability scores > 0.7. The reliability scores are as indicated in the above section.

3.9 Data Collection Methods and Procedures

The first activity entailed development of the research instrument for collecting primary data. As stated earlier, prior to collecting data, a few questionnaires were provided to the participants to pilot test and their recommendations were given consideration for improving validity and reliability of the research instrument. The interviewees who were engaged during the pilot testing activity did not engage in the actual data gathering activity. The investigator dropped the questionnaires and hand-picked them afterwards. The participants who needed more time to answer the questions were allowed to remain with the questionnaires while the researcher ensured that they were filled within the planned time. Before data collection all the questionnaires were assigned numbers to know how many were returned.

3.10 Data Analysis Techniques and Procedures

Data analysis entails contracting the collected data to an appropriate level, developing sum-ups, and applying statistical instruments (Saunders, Lewis & Thornhill, 2019). Data analysis was quantitative to facilitate quantitative analysis. As stated earlier, the study used a self-developed

questionnaire that contained close-structured questions that was designed according to a 5-point Likert scale format with intervals 5 to 1. The ranks helped the researcher to assign statistical values to the variables during data analysis process. A 5-point Likert scale was used because it produced equal range data to facilitate application of the latest statistical package on the research questions. Correlation and regression analysis were applied for this research to quantify and develop associations between variables. Correlation analysis helped the researcher assess the magnitude and path of the relationship between variables, and provided important understandings on the variables. Regression analysis enabled the researcher to model the effect of the independent variables on dependent variables. This helped the researcher to derive meaningful conclusions from statistical data.

Before commencing data analysis process, a codebook for the quantifiable variables was developed and it followed the numbering order of the questionnaires. The measurable variables were chronologically arranged to ensure that codes were assigned to all of them. The use of the coded variable numerals along with questionnaire numbers made it easy for the researcher to find out any error that might have been committed during the data entry process and making the necessary corrections. Data was processed through SPSS software and visualized in frequency distribution tables and charts.

3.11 Ethical Considerations

Studies involving human beings require researchers to adhere to ethical issues. Researchers often encounter ethical situations and it is necessary they address those ethical situations as they conduct their studies. Ethics refers to the values of good conduct. As such, the good has to be

done and the wrong to be avoided. From research point of view, investigators have an ethical duty to carry out their studies in accurate and honest way. Before conducting the study, the investigator informed the participants the objective to conduct the study; this was done through a consent form. The interviewees voluntarily participated in the research. No compulsion was applied in the study. The participants had absolute freedom to be involved in the study or withdraw from it.

The consent form assured the participants that participating in the research would not expose them to any harm. The investigator emphasized that the study was intended for scholarly motives only. Confidentiality was also observed and participants were given information with the assurance that it shall be strictly used for the study. The investigator did not disclose any private or confidential information provided during the study by the respondents.

The anonymity of respondents is essential in an ethical study activity. For the study, no identifying data including dates or dates of birth were collected. The participants were guaranteed that efforts were made to make sure that the information they provided were not found in any form of dissemination. For anonymity purposes the investigator used pseudonyms for respondents. To avoid plagiarism, the investigator ensured that all the sources of information used for the research were correctly referenced as required by the American Psychological Association (APA) referencing style. The scholar acknowledged all the authors mentioned in the study. The sources of information indicated the author's name and year of publication.

The write-up was run through the Turn-it-in Anti-plagiarism checker where a similarity index of the originality report indicating resemblances of disseminated studies or other internet sources was identified and all the resemblances which showed plagiarism were edited. The researcher was granted permission from the pertinent authorities before conducting research. The researcher received endorsement of ERC from Mount Kenya University. Prior to engaging in the actual data collection activity the scholar applied for research license from NACOSTI.

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CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSIONS

4.0 Introduction

The chapter reported the study's findings. The conclusions were developed from the study on the assessment of government policies, finance accessibility, managerial competency and market information on the progress of SMEs in Bulawayo Province in Zimbabwe. Data was interpreted as informed by the objectives and questions of the study.

4.1 Response Rate

The study targeted 347 owners and managers operating SMEs in Bulawayo Province in Zimbabwe. For the study, 347 questionnaires were provided to the interviewees. However, 229 questionnaires were returned. Therefore, the response rate as indicated in Table 1 was 229 out of 347 targeted participants signifying 65.99% response rate.

Table 1: Target Population

	Target	Responded	No Response
Entrepreneurs	347	229	118
Percent	100	65.99	34.01

Source: Primary Data, 2024

4.2 Demographic Data

4.2.1 Level of Education

This section focused on the participants' level of education. As indicated in Figure 3, 12.7% of the participants indicated primary education was their highest level while 87.3% stated tertiary education. Majority of the participants had tertiary education (87.3%) as their highest level of education. Some people engage in SMEs due to scarcity of white collar jobs. The huge number of people engaging in SMEs in the growing nations can also be attributed to the large number of graduates who finish tertiary institutions and this situation happens when a country's economy is not performing well to create employment. According to Schwab, Gold and Reiner

(2018) SMEs develop when the economy of a country fails to progress well and during this phase it is challenging to create employment in the public sector. The study's findings correspond with the opinions of the same authors who hold that in some situations SMEs emerge because of job insecurity in big organizations or due to growth in education levels and innovation.

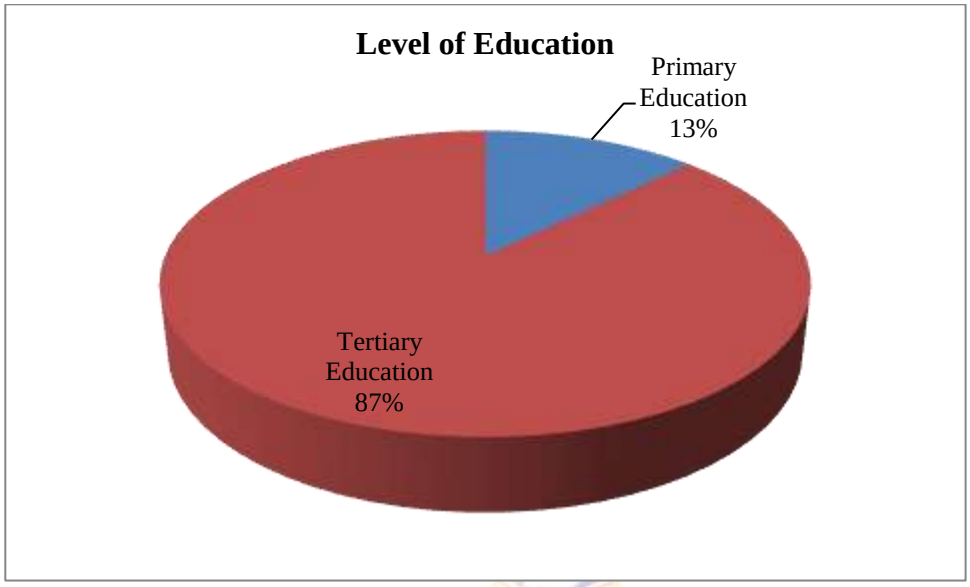

Figure 3 Level of Education

Source: Research Data 2024

4.2.2 Business Existence

This part investigated the duration the businesses had been in existence. Fifty seven (24.9%) participants stated that their businesses had existed between 0-2 years while 172 (75.1%) indicated over 8 years as presented on Figure 4. For those who indicated that their business had existed for over eight years, their level of persistence in business can be associated to the fact the economy has not been performing to the expected levels of creating jobs. Therefore, those operating as SMEs opt to persevere in this sector to support their livelihood. Others opt to pull out of the business because of the unfavorable business environment.

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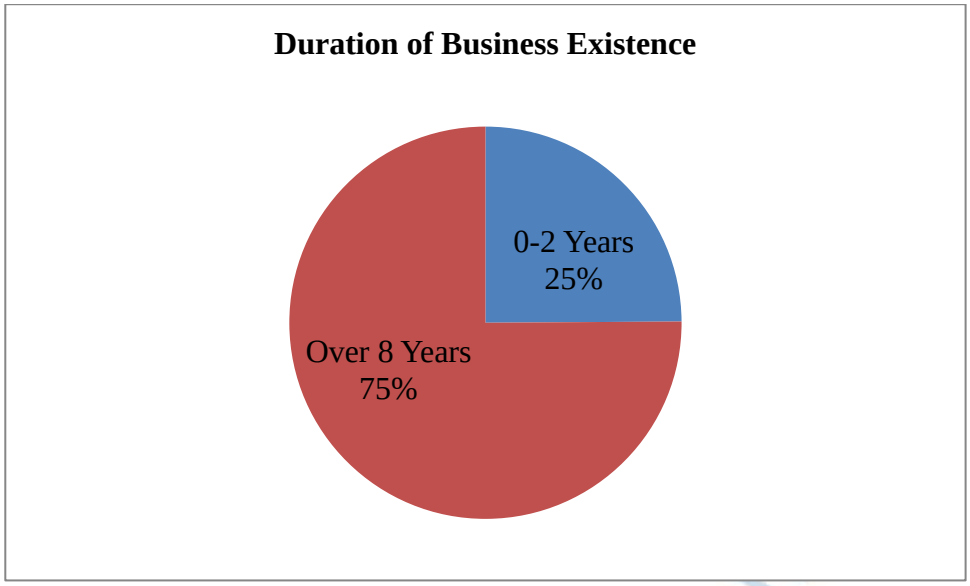

Figure 4 Duration of Business Existence

Source: Research Data 2024

4.3 Data Analysis and Discussion

For data analysis, a 5-point Likert scale with measures 5 to 1 was used for ranking the participants responses as highlighted on the questionnaire.

4.3.1 The Influence of Government Policies on the Progress of SMEs

The first specific objective studied the influence of the government policies on the progress of SMEs in Bulawayo Province. Three forms of government policies including taxation, licensing and bank rate policy were involved. The variables were developed on 5-point Likert scale where statistical values were allotted as indicated: 5=Very Great Extent, 4= Great Extent, 3=Moderate Extent, 2=Little Extent and 1= No extent. The data was displayed in percentages, means and standard deviations (Std. Dev).

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4.3.1.1 Forms of Government Policies on the Progress of SMEs

Table 2 Forms of Government Policies on the Progress of SMEs

Forms of Government Policies	Very Great Extent	Great Extent	Moderate Extent	Little Extent	No Extent	Mean	Std. Dev
Taxation	24.9%	49.8%	12.7%	0%	12.7%	3.74	1.21
Licensing	24.9%	37.6%	24.9%	12.7%	0%	3.74	0.97
Bank Rate Policy	37.6%	24.9%	12.7%	0%	24.9%	3.50	1.58

Source: Research Data, 2024

The data on Table 2 presents the views of the participants in relation to the extent in which the selected government policies unfavorably influence the progress of SMEs in Bulawayo Province in Zimbabwe. With reference to taxation 24.9% reported very great extent, 49.8% great extent, 12.7% moderate extent and 12.7% no extent. The mean score and standard deviation for this variable were (M =3.74, SD=1.21) respectively. In relation to licensing 24.9% indicated very great extent, 37.6% great extent, 24.9% moderate extent and 12.7% little extent; where (M =3.74, SD = 0.97). Pertaining to bank rate policy 37.6% reported very great extent, 24.9% great extent, 12.7% moderate extent and 24.9% no extent while on a five-point Likert scale the scores were (M =3.50 and SD = 1.58).

With reference to taxation on the progress of SMEs as indicated on Table 2, the scores for the variable were: (M = 3.74, SD =1.21). The findings indicate that the dispersion trend (Std. Dev) was below the mean score to infer consistency and stability of the variable on the progress of SMEs. Therefore, it is deduced that to great extent taxation unfavorably influence the progress of SMEs. Favorable government policies including taxation are indispensable factors for the progress of SMEs and the converse also holds. In the perspective of Nyoni and Bonga (2018)

some SMEs in Zimbabwe confront market environment which negatively affects their growth. Even with the benefits tied with SMEs, heavy taxation worsens the progress of SMEs. The taxes paid to the government vary with countries where Nigeria gets 30% of aggregate profit while Ghana gets 33%. It can then be stated that positive growth of SMEs is an indication of the support from the government and involvement in business activities and this is achievable through sustainable taxation in a country.

In relation to licensing on the progress of SMEs as shown on Table 2, the scores for the variable were: (M =3.74, SD = 0.97). The findings demonstrate that the variable had a consistent and stable pattern taking in account that the standard deviation scored lower than the mean value. For that reason, it is inferred that to great extent licensing unfavorably influenced the progress of SMEs in Zimbabwe. Some of the barriers frustrating progress of SMEs are harsh legal requirements including licensing and registration bureaucracies (Edmore, 2017; Musabayana, Mutambara & Ngwenya, 2022). World Bank considers licensing as one of the factors that hinder SMEs attain their utmost potential (Yoshino & Taghizadeh-Hasary, 2016). If licensing charges are high they adversely affect growth of SMEs.

With regard to bank rate policy on the progress of SMEs (Table 2) the scores for the variable were: (M =3.50, SD = 1.58). The data indicates that the variable had a consistent and stable trend considering that the standard deviation score was lower than the mean. It is thus concluded that bank rate policy has an unfavorable impact on the progress of SMEs. The Monetary Policy Committee of the Reserve Bank of Zimbabwe has been changing interest rate often. The bank increased its main policy rate to a record of 200% from 80% in June 2022 (Refer Figure1) pointing to a rise in inflation that destabilized consumer demand and confidence (Trading Economics, 2022). Compared with the other African countries, the interest rate in Zimbabwe is exceedingly high and according to Trading Economics (2022) the increasing inflation,

depreciation of the domestic currency and high interest rates have adversely affected investment and consumption.

4.3.1.2 Correlation between Government Policies and Progress of SMEs

Table 3 Correlations between Government Policies and Progress of SMEs

		Taxation	Licensing	Bank Rate Policy	SMEs Progress
Taxation	Pearson Correlation	1	.782**	.858**	-.593**
	Sig. (2-tailed)		.000	.000	.000
	N	229	229	229	229
Licensing	Pearson Correlation	.782**	1	.899**	-.733**
	Sig. (2-tailed)	.000		.000	.000
	N	229	229	229	229
Bank Rate Policy	Pearson Correlation	.858**	.899**	1	-.735**
	Sig. (2-tailed)	.000	.000		.000
	N	229	229	229	229
SMEs Progress	Pearson Correlation	-.593**	-.733**	-.735**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	229	229	229	229

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

Source: Research Data, 2024

The data on Table 3 reported the relationship between government policies and progress of SMEs. On Pearson's correlation coefficient there was a moderate negative correlation between taxation and progress of SMEs, $r(227) = -0.593$, $p = 0.000$. A high negative correlation was established between licensing and progress of SMEs where $r(227) = -0.733$, $p = 0.000$. Bank

rate policy also showed a high negative correlation with progress of SMEs where $r(227) = -0.735$, $p = 0.000$.

This section discussed the correlation between the variables of the study. The independent variables were taxation, licensing and bank rate policy while the dependent variable was progress of SMEs. The correlation was derived through application of Pearson's correlation coefficients. Table 3 reported the finding for taxation $r(227) = -0.593$, $p = 0.000$, licensing $r(227) = -0.733$, $p = 0.000$ and bank rate policy $r(227) = -0.735$, $p = 0.000$. All the variables demonstrated a negative correlation and *p*-values of less than 0.001. This implies that an increase in any of the independent variables had significant negative effect on the progress of SMEs in Zimbabwe.

In Zimbabwe there have been various policy and protection interventions including SEDCO and VCCZ. However, majority of SMEs continue to experience operational challenges that are associated with taxation, legal system, financing structure and financing system (Edmore, 2017). According to Samudzimu and Munkumba (2022) the harsh regulatory system influences weak performance of SMEs in the country. Affirming the same assertions, Edmore (2017) opines that regulatory, institutional and policy framework reforms have unfavorably influenced growth potential of SMEs.

4.3.1.3 Taxation Model Summary

R Square is the coefficient of determination for the predictor (taxation). As indicated in Table 4, R Square is 0.352 to indicate that 35.2% of SMEs progress can be associated with the level of taxation while adjusted R square of 34.9 % presents a better approximation for the population.

Table 4 Taxation Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.593[a]	.352	.349	.39164

a. Predictors: (Constant), Taxation

Source: Research Data, 2024

4.3.1.4 Taxation ANOVA

Table 5 presents the regression analysis (ANOVA) as it is shown. The results are F (123.118, 0.000). The result indicates p = 0.000 where p = 0.05 is the maximum for an independent variable not to have a significant influence on the dependent variable with 95% confidence level. This implied that taxation had a positive significant influence on SMEs progress. A sustainable level of taxation facilitates the growth of SMEs to certain level but if exaggerated it negatively affects their growth.

Table 5 Taxation ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.885	1	18.885	123.118	.000[b]
	Residual	34.819	227	.153		
	Total	53.703	228			

a. Dependent Variable: SMEs Progress

b. Predictors: (Constant), Taxation

Source: Research Data, 2024

4.3.1.4 Licensing Model Summary

Table 6 shows the coefficient of determination for the predictor (licensing). R Square is 0.537 to indicate that 53.7% of SMEs progress can be associated with the level of licensing. Licensing influences the level of SMEs growth.

Table 6 Licensing Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.733[a]	.537	.535	.33104

a. Predictors: (Constant), Licensing

Source: Research Data, 2024

4.3.1.5 Licensing ANOVA

Table 7 shows the regression analysis (ANOVA). The results are F (263.036, 0.000). The result indicates p = 0.000. This meant that licensing had a positive impact on SMEs progress. A sustainable level of licensing enables growth of SMEs; on the converse it unfavorably affects their progress. A high negative correlation was established between licensing and progress of SMEs where $r(227) = -0.733$, $p = 0.000$ as indicated on Table 3.

Table 7 Licensing ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28.826	1	28.826	263.036	.000[b]
	Residual	24.877	227	.110		
	Total	53.703	228			

a. Dependent Variable: SMEs Progress

b. Predictors: (Constant), Licensing

Source: Research Data, 2024

4.3.1.6 Bank Rate Policy Model Summary

Table 8 visualizes the R Square for the predictor. R Square is 0.539 to indicate that 53.9% of SMEs progress can be associated with the bank rate policy. Therefore, bank rate policy influences the level of SMEs growth.

Table 8 Bank Rate Policy Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.735[a]	.541	.539	.32958

a. Predictors: (Constant), Bank Rate Policy

Research Data, 2024

4.3.1.7 Bank Rate ANOVA

Table 9 shows the regression analysis (ANOVA). The results are F (267.409, 0.000). The result indicates $p = 0.000$. This infers that bank rate policy had a positive impact on SMEs progress. A sustainable level of bank rate policies facilitates the progress of SMEs. Conversely, if the bank rates are high the SMEs progress is negatively affected. Bank rate policy showed a high negative correlation with progress of SMEs where $r(227) = -0.735$, $p = 0.000$.

Table 9 Bank Rate Policy ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.046	1	29.046	267.409	.000[b]
	Residual	24.657	227	.109		
	Total	53.703	228			

a. Dependent Variable: SMEs Progress

b. Predictors: (Constant), Bank Rate Policy

4.4 Influence of Financial Accessibility on the Progress of SMEs

The second specific objective determined the influence of finance access on the progress of SMEs in Bulawayo Province in Zimbabwe. A list of financiers was provided to the participants where they selected the different modes of funding their businesses. The data in Table 10 indicated that 86 (37.6%) self-finance their business while 43(18.8%) fund it from banks. Eighty six (37.6%) fund it through grants from NGOs. Fourteen (6.1%) reported to have funded their business through other sources including Africa Enterprise Challenge Fund (AECF).

It can be inferred that some entrepreneurs opt to self-fund their business because of the challenges to access bank loans. Other challenges are collateral requirements, costly bank credits and administrative requirements put in place by financial institutions who introduce lengthy process and costs which become a burden to SMEs. As such, family and personal savings may be inadequate to start and run sustainable businesses. Because of the various problems associated with finance accessibility, emergent SMEs who should set up sizeable business are unlikely to actively participate in the growth of economy.

Table 10 Business Financiers

	Frequency	Percent	Valid Percent	Cumulative Percent
Self	86	37.6	37.6	37.6
Banks	43	18.8	18.8	56.3
Grants from NGOs	86	37.6	37.6	93.9
Others (AECF)	14	6.1	6.1	100.0
Total	229	100.0	100.0	

Source: Research Data, 2024

4.4.1 Influence of Requirements by Financiers on Progress of SMEs

This section studied the influence of three forms of requirements by financiers including interest rates, collateral security and credit worthiness on the progress of SMEs in Bulawayo Province in Zimbabwe. The variables were developed on 5-point Likert scale. The data was displayed in percentages, means and standard deviations (Std. Dev) as presented on Table 11. Concerning interest rates and their influence on progress of SMEs, 42.8% reported very great extent, 14.4% great extent, 14.4% little extent and 28.4% no extent. The scores for the variable were (M = 3.29, SD = 1.75). With reference to collateral security 50.2% indicated very great extent, 33.2% great extent and 16.6% little extent where the mean and standard deviation were (M = 4.17, SD = 1.07). For credit worthiness 31.4% indicated very great extent, 18.3% great extent, 24.9% moderate extent, 12.7% little extent and 12.7% no extent. The mean and standard deviation for the variable were (M = 3.43, SD 1.38).

Table 11 Financiers Requirements on the Progress of SMEs

Financiers' Requirements	**Very Great Extent**	**Great Extent**	**Moderate Extent**	**Little Extent**	**No Extent**	**Mean**	**Std. Dev**
Interest Rates	**42.8%**	**14.4%**	**0%**	**14.4%**	**28.4%**	**3.29**	**1.75**
Collateral Security	**50.2%**	**33.2%**	**0%**	**16.6%**	**0%**	**4.17**	**1.07**
Credit Worthiness	**31.4%**	**18.3%**	**24.9%**	**12.7%**	**12.7%**	**3.43**	**1.38**

Source: Research Data, 2024

With regard to interest rates on the progress of SMEs the scores for the variables were: (M = 3.29, SD = 1.75) as visualized on Table 11. The dispersion trend was below the mean score to

infer consistency and stability of the variable on the progress of SMEs. Therefore, it is construed that to moderate extent interest rates influence the progress of SMEs in Zimbabwe. Bank credits are unaffordable and costly to emerging SMEs. The Commercial Bank of Zimbabwe, Ecobank, NMB Bank and Agribank charge 55% on bank finances to SME sector (Samudzimu & Munkumba, 2022). Compared with developed nations, these charges are extremely high and they obstruct SMEs progress.

In relation to collateral security on the progress of SMEs the scores were: (M = 4.17, SD = 1.07) as given on Table 11. The standard deviation was below the mean score to demonstrate consistency and stability of the variable on SMEs progress. Therefore, it is deduced that to great extent collateral security negatively influences progress of SMEs. More requirements and demands on collateral security adversely affect progress of SMEs. The effect is that capital becomes expensive making entrepreneurs to ultimately forfeit their property they could have given as security when SMEs take time to recover from weak economic cycle.

The scores on credit worthiness were (M = 3.43, SD = 1.38) as given on Table 11. The dispersion trend was below the mean score to surmise a stable and consistent condition of the variable on SMEs progress. Therefore, to moderate extent does credit worthiness influence progress of SMEs in Zimbabwe. Financial institutions refer to credit worthiness of the borrowers as one of the requirements to lend funds. Due to weak economic performance some SMEs are challenged to pay back and this affects their credit record on future borrowing. This adversely affects the progress of SMEs. According to Hanedar, Altunbas and Bazzana (2014), in situations where sources of funding are available, the SMEs encounter challenges to access them because of the lengthy application processes that demand prove of the ability to repay and credit worthiness.

4.4.2 The Correlation between Financiers' Requirements and Progress of SMEs

Table 12 Correlations between Financiers' Requirements and Progress of SMEs

		Interest Rates	Collateral Security	Credit Worthiness	SMS Progress
Interest Rates	Pearson Correlation	1	.829**	.912**	-.896**
	Sig. (2-tailed)		.000	.000	.000
	N	229	229	229	229
Collateral Security	Pearson Correlation	.829**	1	.904**	-.775**
	Sig. (2-tailed)	.000		.000	.000
	N	229	229	229	229
Credit Worthiness	Pearson Correlation	.912**	.904**	1	-.869**
	Sig. (2-tailed)	.000	.000		.000
	N	229	229	229	229
SMS Progress	Pearson Correlation	-.896**	-.775**	-.869**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	229	229	229	229

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

Source: Research Data, 2024

This section explored the correlation between financiers' requirements (financial accessibility) and progress of SMEs in Bulawayo Province in Zimbabwe. The data on Table 12 shows the association between financiers' requirements (financial accessibility) and progress of SMEs. On Pearson's correlation coefficient there was a high negative correlation between interest rates

and progress of SMEs where, $r(227) = -0.896$, $p = 0.000$. A high negative correlation was found between collateral security and progress of SMEs where, $r(227) = -0.775$, $p = 0.000$. On the correlation between credit worthiness and progress of SMEs, a high negative correlation was established where, $r(227) = -0.869$, $p = 0.000$.

The following section discussed the influence of the requirements by financiers and progress of SMEs. The independent variables are interest rates, collateral security and credit worthiness. The dependent variable is progress of SMEs. Table 14 provides the correlations between financiers' requirements and progress of SMEs. The findings were: interest rates $r(227) = -0.896$, $p = 0.000$, collateral security $r(227) = -0.775$, $p = 0.000$ and credit worthiness $r(227) = -0.869$, $p = 0.000$. The three variables depicted a negative correlation and p- values of less than 0.001. This implies that an increase in any of the independent variables had significant negative impact on the progress of SMEs in Zimbabwe.

Inadequate funding of businesses, challenges in the registration processes and collateral impede the progress of SMEs as they try to develop to bigger firms. Some studies disclose that entrepreneurs list accessibility to finance as a common challenge affecting the progress of SMEs (Samudzimu & Munkumba, 2022; Yoshino & Taghizadeh-Hesary, 2016). The sluggish growth of SMEs arises from the factors which limit access to financing through rigid business and legal environment. The macro-economic and monetary policies put in place by the government unfavorably impact progress of SMEs. Davies, Turay and Koroma (2022) stated that high interest rates and other requirements in efforts to implement bank laws influence commercial banks' readiness to lend to SMEs.

4.4.3 Interest Rates Model Summary

Table 13 shows the R Square for the predictor (interest rates). R Square is 0.802 to indicate that 80.2% of SMEs progress can be associated with the level of interest rates. Interest rates influence the level of SMEs growth.

Table 13 Interest Rate Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.896[a]	.802	.801	.22346

a. Predictors: (Constant), Interest Rates

Source: Research Data, 2024

4.4.4 Interest Rates ANOVA

Table 14 shows the regression analysis (ANOVA). The results are F (919.463, 0.000). The result indicates $p = 0.000$. This infers that interest rates were significant to influence the level of SMEs progress. Interest rates positively impacted the level of SMEs progress. Favorable interest rates influence SMEs progress. However, high bank rates discourage investors to borrow funds from banks and other financial institutions.

Table 14 Interest rates ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.914	1	45.914	919.463	.000[b]
	Residual	11.335	227	.050		
	Total	57.249	228			

Dependent Variable: SMEs Progress

Predictors: (Constant), Interest Rates

Source: Research Data, 2024

4.4.4 Collateral Security Model Summary

Table 15 shows the R Square for the predictor variable - collateral security. R Square is 0.600 to imply that 60.0% of SMEs progress can be linked with collateral security requirements. Collateral security influences the level of SMEs progress.

Table 15 Collateral Security Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.775[a]	.600	.598	.31753

a. Predictors: (Constant), Collateral Security

Source: Research Data, 2024

4.4.5 Collateral Security ANOVA

Table 16 Collateral Security ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.362	1	34.362	340.807	.000[b]
	Residual	22.887	227	.101		
	Total	57.249	228			

a. Dependent Variable: SMEs Progress

b. Predictors: (Constant), Collateral Security

Source: Research Data, 2024

Table 16 shows the regression analysis (ANOVA). The results are F (340.807, 0.000). The result indicates $p = 0.000$. This supposes that collateral security as requirement to access funds positively influences the level of SMEs progress in Zimbabwe. Minimum collateral requirements encourage investors to get funds from financial institutions hence progress of SMEs.

4.4.6 Credit Worthiness Model Summary

Table 17 indicates the R Square for the predictor variable – credit worthiness. R Square is 0.755 to imply that 75.5% of SMEs progress can be associated with credit worthiness as one of the requirements to access funds. Credit worthiness influences the level of SMEs growth.

Table 17 Credit Worthiness Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.869[a]	.755	.754	.24836

a. Predictors: (Constant), Credit Worthiness

Source: Research Data, 2024

4.4.7 Credit Worthiness ANOVA

Table 18 Credit Worthiness ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.247	1	43.247	701.111	.000[b]
	Residual	14.002	227	.062		
	Total	57.249	228			

a. Dependent Variable: SMEs Progress

b. Predictors: (Constant), Credit Worthiness

Source: Research Data, 2024

Table 18 shows the regression analysis (ANOVA). The results are F (701.111, 0.000). The result indicates $p = 0.000$. This infers that credit worthiness as a requirement to access funds has a positive influence on the level of SMEs progress. SMEs that pay their debts create confidence with the financial institutions thus enabling them to progress.

4.5 Influence of Managerial Competency on the Progress of SMEs

The third specific objective studied the influence of managerial competency on the progress of SMEs in Bulawayo Province in Zimbabwe.

4.5.1 Workshops/Seminars

This sub-section interrogated the participants on whether they organize workshops/seminars to train their employees on managerial skills. The respondents provided a yes/no answer to the question as presented in Figure 5. One hundred and fifteen (50.2%) indicated that they hold workshops/seminars while 114(49.8%) did not.

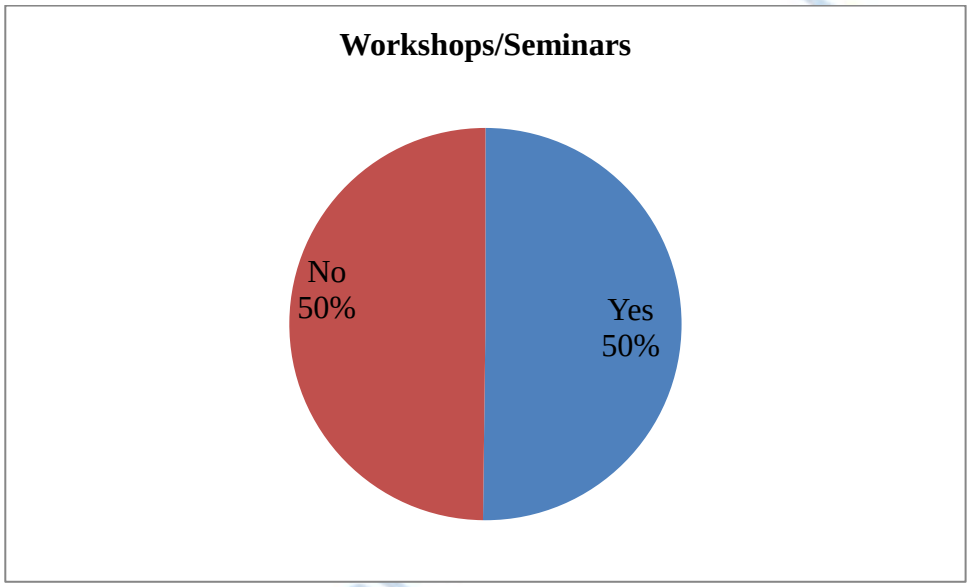

Figure 5 Workshops/Seminars

Source: Research Data, 2024

4.5.2 Workshops/Seminars Frequency

This part cross-examined the participants about the frequency of holding workshops/seminars. Only those who affirmed holding workshops/seminars as indicated in Figure 6 responded to this section. The responses are reported in Figure 6. One hundred and eighty three (79.9%) indicated that they hold workshops/seminars 0-2 times annually while 46(20.1%) hold them 2-5 times per year. The seminars are important to train employees on business management skills.

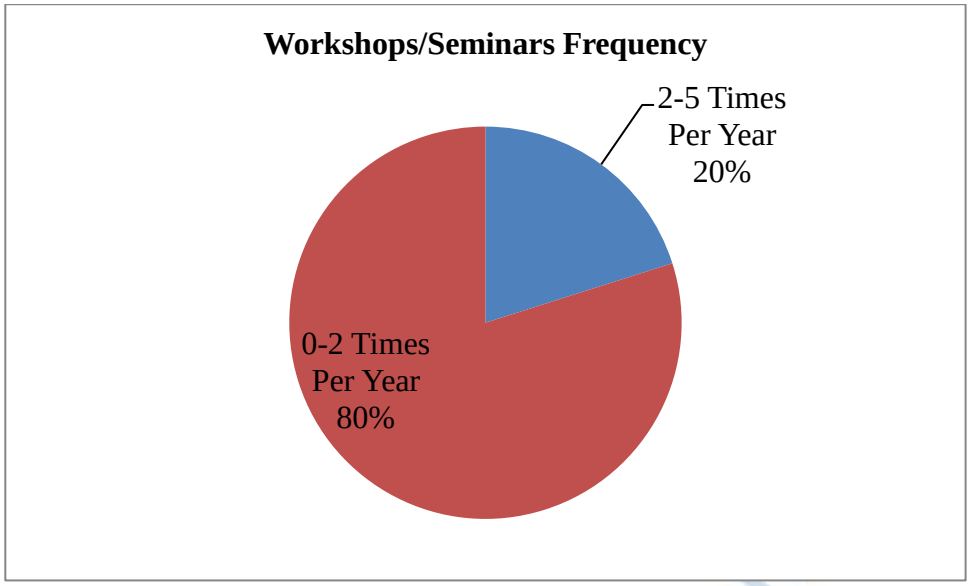

Figure 6 Workshops/Seminars Frequency

Source: Research Data, 2024

4.5.3 Forms of Managerial Competency on the Progress of SMEs

This part studied the three forms managerial capacity: financial management skills (FMS), general management skills (GMS) and strategic management skills (SMS) on the progress of SMEs. The variables were developed on 5-point Likert scale. The data was displayed in percentages, means and standard deviations (Std. Dev) as visualized in Table 19. For financial management skills 50.2% indicated very great extent that the variable had influence on the progress of SMEs where, (M = 4.50, SD = 0.50). With reference to general management skills 57.2% of the participants stated very great extent that the variable influenced progress of SMEs where, (M = 4.29, SD = 0.88). In relation to strategic marketing skills 89.1% reported very great extent and 10.9% great extent where, (M = 4.89, SD = 0.31).

Table 19 Managerial Competency on the Progress of SMEs

Managerial Competency	Very Great Extent	Great Extent	Moderate Extent	Little Extent	No Extent	Mean	Std. Dev
FMS	**50.2%**	**49.8%**	**0%**	**0%**	**0%**	**4.50**	**0.50**
GMS	**57.2%**	**14.4%**	**28.4%**	**0%**	**0%**	**4.29**	**0.88**
SMS	**89.1%**	**10.9%**	**0%**	**0%**	**0%**	**4.89**	**0.31**

Source: Research Data, 2024

The scores for financial management skills were (M = 4.50, SD = 0.50). Given that the standard deviation was lower than the mean it signified a stable and consistent variable. From the data it is interpreted that to very great extent that effective managerial skills positively influence progress of SMEs. The general management skills indicated (M = 4.29, SD = 0.88). The standard deviation was below the mean to signify a stable and consistent variable. Therefore, the data implies that to great extent general management skills positively influence progress of SMEs. With reference to strategic management skills the scores were (M = 4.89, SD = 0.31). The standard deviation was below the mean to signify consistency and stability of the variable. Thus, to a very great extent strategic management skills influence progress of SMEs.

Entrepreneurs' managerial proficiencies are indispensable factors of SMEs progress. As such, businesses that employ professional managers have high possibility to survive. Previously, it was stated that 79.9% of the entrepreneurs hold workshops/seminars 0-2 every year to train their employees and that the businesses had existed for eight years as indicated in Figure 3. It can therefore be inferred that the workshop/seminars impact managerial skills to both the entrepreneurs and owners of SMEs. Ikupolati et al. (2017) indicated that entrepreneurs' technical and conceptual proficiencies influence the managerial abilities of the entrepreneurs leading to growth of SMEs. Conversely, the SMEs high failure rate is attributed to managerial

deficiencies, inadequate staff training and development (Fatoki, 2014, Magaisa & Matioira, 2017).

4.5.4 The Correlation between Managerial Competency and Progress of SMEs

This part studied the correlation between managerial competency and progress of SMEs in Bulawayo Province in Zimbabwe. The data on Table 20 depicts the correlation between managerial competency and progress of SMEs. On Pearson's correlation coefficient there was a significant positive association between financial management skills and progress of SMEs where, $r(227) = 0.690$, $p = 0.000$. Pertaining the connection between strategic management skills and progress of SMEs there was a significant positive connection between the two variables where, $r(227) = 0.800$, $p = 0.000$. A significant positive associated was found between general management skills and progress of SMEs where $r(227) = 0.815$, $p = 0.000$.

This part discussed the relationship between managerial competency and progress of SMEs. The independent variables were: financial management skills, general management skills and strategic management skills. The dependent variable was progress of SMEs. The data on Table 24 presents the findings for the variables: financial management skills $r(227) = 0.690$, $p = 0.000$, general management skills $r(227) = 0.800$, $p = 0.00$ and strategic management skills $r(227) = 0.815$, $p = 0.000$. The variables demonstrate a positive correlation and p-values of less than 0.001. Therefore, an increase in any of the independent variables has significant positive influence on the progress of SMEs.

Table 20 Correlations between Managerial Competency Skills and Progress of SMEs

	FMS	SMS	GMS	SMEs Progress

	Pearson Correlation	1	.352**	.813**	.690**
FMS	Sig. (2-tailed)		.000	.000	.000
	N	229	229	229	229
	Pearson Correlation	.352**	1	.513**	.800**
SMS	Sig. (2-tailed)	.000		.000	.000
	N	229	229	229	229
	Pearson Correlation	.813**	.513**	1	.815**
GMS	Sig. (2-tailed)	.000	.000		.000
	N	229	229	229	229
	Pearson Correlation	.690**	.800**	.815**	1
SMEs Progress	Sig. (2-tailed)	.000	.000	.000	
	N	229	229	229	229

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

Source: Research Data, 2024

Managerial competency is a major factor that impacts SMEs progress and this entails proper management of the business's resources including both finance and human. According to Samudzimu and Munkumba (2022), employing and retaining proficient staff is necessary for the performance of business. In addition managerial proficiency impacts SMEs ability to attract financing because of the perception that funds will be properly utilized. The progress of SMEs demands effective managerial skills for diverse managerial capabilities. The converse holds and it leads to high failure rate of SMEs.

4.5.4.1 Financial Management Skills Model Summary

In Table 21 the R Square for the predictor is 0.476. This implies that 47.6% of the progress of SMEs can be linked to the financial management skills of the managers/owners.

Table 21 Financial Management Skills Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.690[a]	.476	.474	.91651

a. Predictors: (Constant), Financial Management Skills

Research Data, 2024

4.5.4.2 Financial Management Skills ANOVA

Table 22 shows the result of regression analysis where F (206.119). Given that the result indicates p = 0.000 it therefore implies that financial managerial skills have a positive impact on the progress of SMEs. This enables managers/owners of SMEs to effectively utilize the businesses' financial resources.

Table 22 Financial Management Skills ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	173.138	1	173.138	206.119	.000[b]
	Residual	190.678	227	.840		
	Total	363.817	228			

a. Dependent Variable: SMEs Progress

b. Predictors: (Constant), Financial Management Skills

Research Data, 2024

4.5.4.3 General Management Skills Model Summary

The data on Table 23 displays that the R Square for the predictor as 0.664. The implication is that 66.4% of SMEs progress can be drawn to the general management skills of the managers/owners.

Table 23 General Management Skills Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.815[a]	.664	.663	.73374

a. Predictors: (Constant), General Management Skills

Research Data, 2024

4.5.4.4 General Management Skills ANOVA

From Table 24 the result of regression analysis gives F (448.761). Since the result indicates *p* = 0.000 it infers that general management skills have a positive impact on the progress of SMEs. General management skills enable SMEs entrepreneurs to effectively manage the business resources including both human and financial.

Table 24 General Management Skills ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	241.604	1	241.604	448.761	.000[b]
	Residual	122.212	227	.538		
	Total	363.817	228			

a. Dependent Variable: Progress of SMEs

b. Predictors: (Constant), General Management Skills

Research Data, 2024

4.5.4.5 Strategic Management Skills Model Summary

The data on Table 25 shows that the coefficient of determination for the predictor is 0.641. This suggests that 64.1%% of the progress of SMEs can be associated to the strategic management skills of the managers/owners. The owners/managers study the market, determine the target customers, and identify the products to offer and the resources to invest for the growth of their businesses.

Table 25 Strategic Management Skills Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.800[a]	.641	.639	.75881

a. Predictors: (Constant), Strategic Management Skills

Source Data, 2024

4.5.4.6 Strategic Management Skills ANOVA

Table 26 presents the results of regression analysis where F (206.119). The results indicate p = 0.000. It can therefore be suggested that strategic management skills have a positive impact on the progress of SMEs. Strategic management skills are necessary to enable entrepreneurs to know what to invest and the type of resources they need for the progress of their businesses.

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Table 26 Strategic Management Skills ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	233.111	1	233.111	404.849	.000[b]
	Residual	130.706	227	.576		
	Total	363.817	228			

a. Dependent Variable: SMEs Progress

b. Predictors: (Constant), Strategic Management Skills

Source: Research Data 2024

4.6 Influence of Marketing Information on the Progress of SMEs

The fourth specific objective studied the influence of marketing information on the progress of SMEs in Bulawayo Province in Zimbabwe.

4.6.1 The Effect of Technology on Business

This part explored the effects of changes in technology (social media) on business. A list of the effects was provided to the participants and they selected from it. The distribution of the scores is as provided in Table 27. Twenty five (10.9%) reported that technology (social media) has helped to increase awareness of the business. Thirty nine (17.0%) indicated that it had increased the sales volume while 25(10.9%) stated that it had increased customers. The participants stated that social media is an important means to advertise products 64(27.9%). Fifty one (22.3%) reported that it helped in connecting directly with customers. However, 25 (10.9%) associated no benefit of social media to the business.

Table 27 Effect of Technology (Social Media) on Business

	Frequency	Percent	Valid Percent	Cumulative Percent
Increased Awareness	25	10.9	10.9	10.9
Sales Volume	39	17.0	17.0	27.9
Increased Customers	25	10.9	10.9	38.9
Advertising Products	64	27.9	27.9	66.8
Connecting with Customers	51	22.3	22.3	89.1
None	25	10.9	10.9	100.0
Total	229	100.0	100.0	

Source: Research Data, 2024

Social media is a fundamental component of conducting business and it plays an important role in SMEs growth, enabling them to reach their target audience, connect directly with customers and promote products. Social platforms including Instagram and Facebook provide advanced targeting options to enable businesses to create their advertising campaigns to reach their targeted customers.

4.6.2 Elements of Marketing Information on the Progress of SMEs

The current section considered the elements of marketing information (customer needs, quality products and technological information on the progress of SMEs in Bulawayo Province in Zimbabwe. The three elements were developed on 5-point Likert scale. Data was displayed in percentages, means and standard deviations (Std. Dev) as presented in Table 28. Referring to customer needs and the influence of the variable on the progress of SMEs, 57.2% reported very great extent, 28.4% great extent and 14.4% moderate extent where (M = 4.43, SD = 0.73). With regard to quality products and its influence on the progress of SMEs, 62.4% indicated very great

extent, 24.9% great extent and 12.7% moderate extent where, (M = 4.50, SD = 0.71). Pertaining to technological information, 16.6% reported very great extent, 33.2% great extent and 50.2% moderate extent where (M = 3.66, SD = 0.75).

Table 28 Elements of Marketing Information on the Progress of SMEs

Marketing Information Elements	Very Great Extent	Great Extent	Moderate Extent	Little Extent	No Extent	Mean	Std. Dev
Customer Needs	**57.2%**	**28.4%**	**14.4%**	**0%**	**0%**	**4.43**	**0.73**
Quality Products	**62.4%**	**24.9%**	**12.7%**	**0%**	**0%**	**4.50**	**0.71**
Technological Information	**16.6%**	**33.2%**	**50.2%**	**0%**	**0%**	**3.66**	**0.75**

Source: Research Data, 2024

The distributions of the scores of the variables on the progress of SMEs were: customer needs (M = 4.43, SD = 0.73), quality products (M = 4.50, SD = 0.71), technological information (M = 3.66, SD = 0.75). The standard deviations for the three variables are below the mean to signify consistency and stability. To great extent and very great extent customer needs and quality products respectively influence progress of SMEs. It is through market information that businesses acquire knowledge of the attractiveness of the market enabling them to measure their performance and the ability to fulfil the demands of a specific market. According to Magaisa (2017), some SMEs in Zimbabwe fail to operate effectively because of insufficient market information, market trends and market opportunities.

4.6.3 Correlation between Marketing Information and Progress of SMEs

Table 29 Correlations between Marketing Information and SMEs Progress

		Customer Needs	Quality of Products	Technological Information	SMEs Progress
Customer Needs	Pearson Correlation	1	.938**	.698**	.847**
	Sig. (2-tailed)		.000	.000	.000
	N	229	229	229	229
Quality of Products	Pearson Correlation	.938**	1	.631**	.859**
	Sig. (2-tailed)	.000		.000	.000
	N	229	229	229	229
Technological Information	Pearson Correlation	.698**	.631**	1	.724**
	Sig. (2-tailed)	.000	.000		.000
	N	229	229	229	229
SMEs Progress	Pearson Correlation	.847**	.859**	.724**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	229	229	229	229

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

Source: Research Data, 2024

This section studied the correlation between marketing information and progress of SMEs in Bulawayo Province in Zimbabwe. The data on Table 29 visualizes the correlation between marketing information and progress of SMEs. On Pearson's correlation coefficient there was a significant positive relationship between customer needs and progress of SMEs where, $r(227) = 0.847$, $p = 0.000$. A significant positive correlation was derived between quality products and progress of SMEs where $r(227) = 0.859$, $p = 0.000$. There was also a significant positive

relationship between technological information and progress of SMEs where, $r(227) = 0.724$, $p = 0.000$.

This section discussed the correlation between the elements of marketing information on the progress of SMEs. The independent variables are customer needs, quality products and technological information as given on Table 29. The dependent variable is the progress of SMEs. The data on Table 33 visualizes the findings for the variables where, customer needs $r(227) = 0.847$, $p = 0.000$, quality of products $r(227) = 0.859$, $p = 0.000$ and technological information $r(227) = 0.724$, $p = 0.000$. The variables show a positive correlation and *p*-values of less than 0.001. In this case an increase in any of the independent variables has a significant positive influence on the progress of SMEs in Zimbabwe. The ANOVA findings as presented on Tables 35, 37 and 39 are as follows: customer needs = 0.000, quality products = 0.000 and technological information = 0.000. The findings infer that the variables had positive impact on the progress of SMEs in Zimbabwe.

In the modern times no organization can survive and grow without clear knowledge of its customers. Therefore, business organizations have to seek this knowledge through market information. This knowledge is acquired by understanding customers' needs, wants, tastes and preferences. Without this knowledge a business cannot effectively fulfil the needs of its market. In the perspective of Mugogo and Midala (2020) lack of market information is a major threat that affects the progress of SMEs. Low access and limited use of contemporary technological information, lack of internet services and insufficient knowledge of market and demand are some of the factors associated with marketing that limit the progress of SMEs.

4.6.3.1 Customer Needs Model Summary

From Table 30 the R Square for the predictor is 0.717. The results infer that 71.7% of the progress of SMEs can be ascribed to the knowledge of customer needs. Once a business understands the needs of its customers it provides the right product/service and this translates to its growth.

Table 30 Customer Needs Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.847[a]	.717	.716	.49508

a. Predictors: (Constant), Customer Needs

Source: Research Data, 2024

4.6.3.2 Customer Needs ANOVA

Table 31 shows the result of regression analysis where F (575.952). Given that the result presents p = 0.000 it therefore signifies that knowledge of the customers' needs positively impacts SMEs growth.

Table 31 Customer Needs ANOVA[a]

Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	141.166	1	141.166	575.952	.000[b]
	Residual	55.638	227	.245		
	Total	196.803	228			

a. Dependent Variable: Progress of SMEs

b. Predictors: (Constant), Customer Needs

Source: Research Data, 2024

4.6.3.3 Quality of Products Model Summary

From Table 32 the R Square for the predictor is 0.739. This demonstrates that 73.7% of the progress of SMEs can be traced to the quality products. When the quality of products offered improves, customers begin to see their benefits and this builds brand loyalty. This generates more profits to the business and more growth outcomes.

Table 32 Quality Products Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.859[a]	.739	.737	.47604

a. Predictors: (Constant), Quality of Products

Source: Research Data, 2024

4.6.3.4 Quality of Products ANOVA

Table 33 shows the result of regression analysis where F (641.438). Given that the result indicates $p = 0.000$ it therefore denotes that quality products positively impacts the progress of SMEs. Quality products attract more customers leading to high sales turnover and this translates to business progress.

Table 33 Quality of Products ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	145.361	1	145.361	641.438	.000[b]
	Residual	51.442	227	.227		
	Total	196.803	228			

a. Dependent Variable: Progress of SMEs

b. Predictors: (Constant), Quality of Products

Source: Research Data, 2024

4.6.3.5 Technological Information Model Summary

In Table 34 the R Square for the predictor is 0.525. This indicates that 52.5% of the progress of SMEs can be associated with technological information. It is through the modern technology including social media where entrepreneurs can create awareness about their products, advertise products and connect directly with customers.

Table 34 Technological Information Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.724[a]	.525	.523	.64187

a. Predictors: (Constant), Technological Information

Source: Research Data, 2024

4.6.3.6 Technological Information ANOVA

Table 35 shows the outcomes of regression analysis where F (250.678). Since the result indicates $p = 0.000$ it infers that technological information depicted a significant positive impact on the progress of SMEs.

Table 35 Technological Information ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	103.279	1	103.279	250.678	.000[b]
	Residual	93.524	227	.412		
	Total	196.803	228			

Dependent Variable: Progress of SMEs

Predictors: (Constant), Technological Information

Source: Research Data, 2024

4.7 The Effect of the Intervening Variable – Economic Growth on Progress of SMEs

Figure 7 shows the participants' opinion on the level of economic growth in the country. On a 5-point Likert scale, the levels were assigned as follows: 5-very well, 4-good, 3-fair, 2-weak, and 1-poor. Twenty seven (11.8%) indicated poor performance of the economy, 82(35.8%) stated weak performance. One hundred and 20(52.4%) indicated fair performance of the economy. The mean score and standard deviation were (M = 2.41, SD = 0.69).

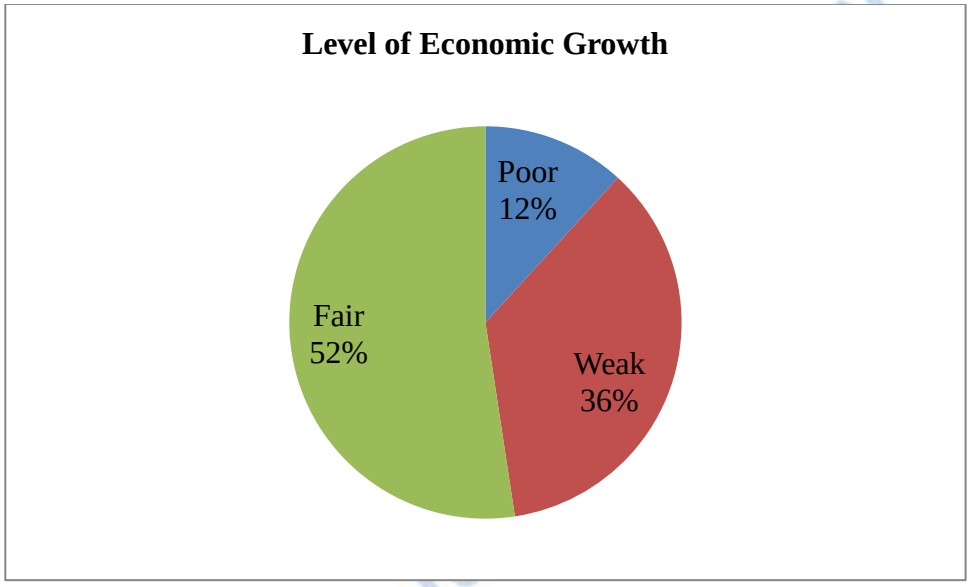

Figure 7 Level of Economic Growth

Source: Research Data, 2024

The results indicate a weak performance of the economy. In a growing economy where the citizens are involved in economic activities the households and firms are assured of recurrent income that translates to high purchasing power and consequently high demand for goods and services produced by firms. Under such circumstances, the SMEs have the opportunities for growth and operate effectively.

Table 40 indicates a weak performance of the economy and this affects SMEs progress. SMEs are affected by a country's economic factors. For instance, national interest rates as well as fiscal policies are created in consideration of the economic situations. As such, interest rates affect a businesses' cost of finance and therefore the level at which a business thrives. The

environment of the economy commands how consumers, suppliers and creditors behave in the market. Economies in recession cycles experience low investor confidence, low purchasing power and high unemployment. On the converse, a growing or booming economies experience high employment, high purchasing power and high investor confidence. For example, in a growing economy where the level of employment is high the households are assured of recurrent income that translates to high purchasing power and consequently high demand for goods and services produced by firms. Under such circumstances, the SMEs have the opportunities for growth.

Government fiscal and monetary policies can have direct effects on businesses. With regard to fiscal policy, tax rates can influence how households and firms spend and borrow money. Likewise, it can also influence consumers' purchasing power. Monetary policy refers to interest rates as well as access to credit, which impacts entrepreneurial decision making and decision making. Favorable monetary policy can in this case fuel the economy because of the variations in consumer spending trend, borrowing and among other factors.

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CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The chapter concludes the study's findings. The conclusions are resultant from the study that assesses government policies, finance accessibility, managerial competency and market information on the progress of SMEs in Bulawayo Province in Zimbabwe.

5.1 Summary

This section provides the summary of the study's findings as derived from both the data analysis and discussions sections of the previous chapter. The summary is guided by the four specific objectives of the study.

5.1.1 The Influence of Government Policies on the Progress of SMEs

The first objective determined the influence of government policies on the progress of SMEs in Bulawayo Province in Zimbabwe. The scores for the variables were: taxation (M = 3.74, SD = 2.2), licensing (M = 3.74, SD = 0.97) and bank rate policy (M = 3.50, SD = 1.58). The results construe that to a great government policies unfavorably influence the progress of SMEs in Zimbabwe. On Pearson's correlation coefficients the findings were: taxation $r(227) = -0.593$, $p = 0.000$, licensing $r(227 = -0.733$, $p = 0.000$ and bank rate policy $r(227) = -0735$, $p = 0.000$. The results give a negative correlation between the variables. Therefore, an increase in any of the independent variables unfavorably affects the progress of SMEs.

5.1.2 The Influence of Financial Accessibility on the Progress of SMEs

The second objective of the study established the influence of financial accessibility on the progress of SMEs. The findings from the data analysis were: interest rates (M = 3.29, SD = 1.75), collateral security (M = 4.17, SD = 1.07) and credit worthiness (M = 3.43, SD = 1.38). To a great extent collateral security requirements unfavorably influence growth of SMEs. However, both interest rates and credit worthiness moderately influence growth of SMEs. The

results after conducting the correlation analysis were: interest rates $r(227) = -0.896$, $p = 0.000$, collateral security $r(227) = -0.775$, $p = 0.000$ and credit worthiness $r(227) = -0.869$, $p = 0.000$. The findings showed a negative correlation between the variables. In this case, an increase in any of the independent variables (financiers' requirements) has an unfavorable influence on the progress of SMEs.

5.1.3 The Influence of Managerial Competency on the Progress of SMEs

The third objective assessed the influence of managerial competency on the progress of SMEs. The findings were: financial management skills (M = 4.50, SD = 0.50), general management skills (M = 4.29, SD = 0.88) and strategic management skills (M = 4.89, SD = 0.31). To very great extent both financial and strategic management skills influence progress of SMEs. General management skills influence progress of SMEs of same to great extent. On Pearson's correlation coefficients the findings were: financial management skills $r(227) = 0.690$, $p = 0.000$, general management skills $r(227) = 0.800$, $p = 0.00$ and strategic management skills $r(227) = 0.815$, $p = 0.00$. The three forms of managerial skills depicted a significant positive correlation with the progress of SMEs. Therefore, an increase in any of the forms of management skills shows a favorable positive influence on the progress of SMEs.

5.1.4 The influence of Market Information on the Progress of SMEs

The fourth objective determined the influence of market information on the progress of SMEs. On a 5-point Likert scale the findings were: customer needs (M = 4.43, SD = 0.73), quality products (M = 4.50, SD = 0.71) and technological information (M = 3.66, SD = 0.75). The findings show that to a very great extent quality products influence progress of SMEs. Customer needs and technological information influences the progress of SMEs to a great extent. The findings on the correlation between marketing information and the progress of SMEs were: customer needs $r(227) = 0.847$, $p = 0.000$, quality of products $r(227) = 0.859$, $p = 0.000$ and technological information $r(227) = 0.724$, $p = 0.000$. The results deduce that an increase in any

of the independent variables (customer needs, quality products and technological information) has a significant positive influence on the progress of SMEs.

5.2 Conclusions

SMEs have significant roles in steering economic progress of nations. In this regard, the government's role to support SMEs is important as it can create a favorable or detrimental environment for the progress of businesses. The situation usually becomes harmful when the governments provide little or no support to SMEs. This implies that businesses become susceptible to suffer resulting to their inability to grow and survive. The government policies including taxation, licensing and bank rate policy have affected growth potential of SMEs in the country. In other words, an increase in any of the government policies has a significant negative impact on the progress of SMEs.

Sustainability of SMEs depends on sufficient funding which means that accessible funding is central in transforming business to different levels of growth. However, lack of accessibility to loans together with high interest rates, collateral security requirements and credit worthiness jointly unfavorably affect SMEs growth and performance. When accessing capital, SMEs encounter administrative limitations with financial institutions that introduce lengthy processes and cost which become a burden to SMEs. In situations where formal sources of funding are available, SMEs are limited to access them because of the application processes that demand the ability to repay and credit worthiness. High interest rates and emphasis on other requirements in efforts to enforce bank laws influence financial institutions readiness to lend to SMEs. The study established that any of the financiers' requirements unfavorably influence the progress of SMEs in the country.

The progress of SMEs demands effective managerial skills for diverse management skills including financial management, general management skills and strategic management skills. Internal factors including managerial proficiencies, adequate staff training and development

and effective functional skills influence growth of SMEs. Effective managerial proficiencies attract finance because of the assurance that resources will be properly managed. From the findings of the study, it can be inferred that increase in knowledge in one of the forms of management skills has significant positive effect on the progress of SMEs.

Abundance of market information is a major factor that enhances growth of SMEs. Adequate use of modern technological information, use of internet services and sufficient knowledge of market and demand are some of the elements associated with marketing information that influence progress of SMEs. Consumers' needs, wants and preferences change with time and this compels businesses to seek market knowledge to produce goods and services that will satisfy their audience. The study's findings reveal that market information acquired through knowledge of customer needs, quality products and use of technological information have positive significant influence on the progress of SMEs.

5.3 Recommendations

The actions of a government can either encourage or discourage the progress of SMEs. To enhance more growth opportunities for SMEs, the government can formulate sustainable policies on taxation, licensing and bank rate policies. The regression analysis showed that government policies had positive impact on SMEs progress. However, when government policies are increased they negatively affect SMEs progress. In this regard, the government can reduce the lengthy and expensive delays in the registration process of businesses. The analysis of the literature together with the study's findings established that interest rates in Zimbabwe are exceedingly high when compared with other developing nations. This policy negatively affects investment and consumption decisions. The policies that the government can reform to encourage SMEs growth include sustainable taxation, affordable licensing charges, and reduced bureaucracies on licensing and reasonable bank rate policies. Likewise, the government should

periodically review its policy and regulatory frameworks to make finances affordable to many investors.

The challenges facing SMEs revolve around inadequate financing, inaccessible funding institutions and regulations resulting to their stunted growth. The SMEs business policies as laid down by financial intermediaries exert pressure on the SMEs progress opportunities. Regression analysis of the financial requirements to access demonstrated a positive impact on the progress of SMEs. However, more financial requirements discourage SMEs to borrow funds for developing their businesses. Some of the potential SMEs are left out to get finances. Therefore, the financial institutions that fund SMEs need to reform to provide favorable conditions as well as financial services that promote progress and sustainability of SMEs sector. The suggested reforms that financial institutions can implement include affordable interest rates to encourage borrowing and minimum collateral requirements.

Internal business environment factors including managerial proficiencies, adequate staff training and development, effective functional skills have significant impact on the progress of SMEs. Regression analysis demonstrated a positive effect of managerial proficiencies on the progress of SMEs. As such, the study recommends periodic training of entrepreneurs, managers and employees of SMEs in various managerial skills including financial management, general management and strategic management to enhance progress of SMEs in the economy.

It is by embracing the market information that organizations acquire knowledge of the attractiveness of the market to enable them to gauge their performance and their ability to satisfy the demands of a target market. The regression analysis demonstrated a positive impact of market information on the progress of SMEs. Some businesses fail to survive because of insufficient market information. In this regard, SMEs can allocate some funds to explore social media platforms including Instagram, Facebook, websites and WhatsApp to know more about their customers. The same platforms are cost-effective and businesses can easily advertise their

products and services to reach their targeted audience. This can be done by allocating sufficient funds for advertising campaigns to inform, persuade and remind customers of the products and services they offer.

5.4 Suggestions for Further Research

The study was conducted in one geographical region and this limited the generalizability of the research findings. Further studies can consider more provinces to have a large sample size of the participants. This would enable the studies to have more generalizable results on the influence of government policies, finance accessibility, managerial competency and market information on the progress of SMEs in Bulawayo Province in Zimbabwe. The study adopted a quantitative method for collecting and analyzing data. A study adopting a mixed method would be more productive to compliment the quantitative findings.

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Mount Kenya University

APPENDICES

APPENDIX A CONSENT FORM FOR PARTICIPATION IN RESEARCH

ASSESSMENT OF GOVERNMENT POLICIES, FINANCE ACCESSIBILITY, MANAGERIAL COMPETENCY AND MARKET INFORMATION ON THE PROGRESS OF SMALL AND MEDIUM ENTERPRISES (SMEs) IN BULAWAYO PROVINCE IN ZIMBABWE

Dear Respondent,

I would like to seek your consent to involve you in the aforementioned study. At present I am taking Master of Science Degree in Project management and Planning of Mount Kenya University.

The attached close-structured questionnaire is purposed to get data on the **Assessment of Government Policies, Finance Accessibility, Managerial Competency and Market Information on the Progress of SMEs in Bulawayo Province in Zimbabwe.**

Your input in this academic enquiry is entirely on volunteer agreement. In that regard, there would be no implications imposed on you should you opt to withdraw from it or not to provide answers to the questions that you would not be at ease with. The researcher reassures you that there would be no risks to participate in this study. The investigator shall ensure that your information is not disclosed to anyone. In addition, your answers shall be considered confidential and treated anonymous. The data generated from the study shall be stored in a safe place and provided in the project. The primary investigator will retrieve your private responses that you will provide to the questionnaire. The study is only for scholarly purpose and no monetary benefits are provided to the interviewees.

If you are prepared to participate in this scholarly work, please provide responses to the questions itemized in the attached questionnaire. It will take about 10 to 15 minutes to respond to the questions. I would kindly request that you return the filled questionnaire to me so that I

start to write the research report. For more clarification concerning this study, kindly reach the researcher **George Kamau Nganga**, with contact **+254 725 478 225** and the supervisor, **Dr. Njeri. S. Ngacha**, with contact_____. Further, if there are queries regarding your rights as a participant, you can reach the Chairman, Mount Kenya University, Ethical Review Committee, P.O Box 342-01000, Thika.

Kind regards and your participation in this study is highly appreciated.

CONSENT

I have read and understood the content of this consent form. I have also been allowed to ask questions relating to my involvement in the study for more clarification. I acknowledge that my involvement in the scholarly work is on volunteer basis and if I opt to pull out from it there will be no consequences against me. I give my consent for participation in the study.

Respondent's signature _____Date_____

Researcher's signature _____ Date _____

Mount Kenya University

APPENDIX B LETTER OF INTRODUCTION

Dear Sir/Madam,

REF: REQUEST TO COLLECT DATA

I am a student at Mount Kenya University pursuing a master degree of Science in Project Management and Planning. As a requirement to finish this course I am conducting a study on **ASSESSMENT OF GOVERNMENT POLICIES, FINANCE ACCESSIBILITY, MANAGERIAL COMPETENCY AND MARKET INFORMATION ON THE PROGRESS OF SMALL AND MEDIUM ENTERPRISES IN BULAWAYO PROVINCE IN ZIMBABWE.**

I believe that you in a position to help the study accomplish its objectives by providing the necessary data. I would like to use a self-made, closed-ended questionnaire to gather primary data. Any assistance given to me for completing this task and any information made available to me will be considered with the highest level of confidentiality and are primarily for academic motives

Thanks for your availability.

Yours Faithfully,

GEORGE KAMAU NGANGA

Mount Kenya University

APPENDIX C QUESTIONNAIRE

ASSESSMENT OF GOVERNMENT POLICIES, FINANCE ACCESSIBILITY, MANAGERIAL COMPETENCY AND MARKET INFORMATION ON THE PROGRESS OF SMALL AND MEDIUM ENTERPRISES (SMEs) IN BULAWAYO PROVINCE IN ZIMBABWE.

Kindly indicate your highest level of education.

Primary Education [ ] Secondary Education [ ]

Vocational Training [ ] Tertiary Education [ ]

For how long has your business been in existence?

0-2 yrs [ ] 3-5 yrs [ ] 6-8 yrs [ ] Over 8 yrs [ ]

Influence of the government policies on the progress of SMEs in Bulawayo Province in Zimbabwe.

1. Kindly tick (√) the extent to which the following forms of government policies has unfavorably influenced progress of SMEs in the country. Use a scale of 5- to a very great extent, 4- to a great extent, 3- to a moderate extent, 2- to a little extent, and 1- to no extent.

Government Policies	5	4	3	2	1
Taxation					
Licensing					
Bank rate policy					

Mount Kenya University

From a general perspective, kindly tick (√) the level of your agreement on the statement that government policies have favorably influenced progress of SMEs in the country. Use a scale of 5- strongly agree, 4- agree, 3- neutral, 2- disagree, and 1 –strongly disagree.

Statement	5	4	3	2	1
Government policies have supported progress of SMEs					

Influence of financial accessibility on the progress of SMEs in Bulawayo Province in Zimbabwe.

From the following list kindly tick (√) who are your main financier(s).

	Financier(s)	(√)
i.	Self	
ii.	Banks	
iii.	Government	
iv.	Grants from NGOs	
v.	Venture capitals	
vi	Shy rocks	
vii	Investment groups	
viii	Others (specify)	

Mount Kenya University

Please tick (√) the extent to which the following forms of requirements by financiers has favorably influenced progress of SMEs in the country. Use a scale of 5- to a very great extent, 4- to a great extent, 3- to a moderate extent, 2- to a little extent, and 1- to no extent.

Financiers' Requirements	5	4	3	2	1
Interest rates					
Collateral security					
Credit worthiness					

From a general perspective, kindly tick (√) the level of your agreement on the statement that financial accessibility has favorably influenced progress of SMEs in the country. Use a scale of 5- strongly agree, 4- agree, 3- neutral, 2- disagree, and 1 –strongly disagree.

Statement	5	4	3	2	1
Financial accessibility has influenced progress of SMEs					

Influence of managerial capacity on the progress of SMEs in Bulawayo Province in Zimbabwe.

Do you organize workshops/seminars to train your employees on management skills?

Yes [ ] No [ ]

If yes, how often do you hold workshops/seminars to train employees?

0-2 times per year [ ] 3-5 times per year [ ] Over 5 times [ ]

Please tick (√) the extent to which the following forms of managerial competency have influenced progress of SMEs in the country. Use a scale of 5- to a very great extent, 4- to a great extent, 3- to a moderate extent, 2- to a little extent, and 1- to no extent.

Forms of Managerial Capacity	5	4	3	2	1

Financial management skills					
General management skills					
Strategic marketing skills					

From a general perspective, kindly tick (√) the level of your agreement on the statement that managerial competency of entrepreneurs has influenced progress of SMEs in the country. Use a scale of 5- strongly agree, 4- agree, 3- neutral, 2- disagree, and 1 –strongly disagree.

Statement	5	4	3	2	1
Managerial competency has influenced progress of SMEs					

Influence of marketing information on the progress of SMEs in Bulawayo Province in Zimbabwe.

How has changes in technology (social media) affected your business. Kindly select and tick from the provided list.

	Effects	(√)
i.	Increased awareness about your business	
ii.	Increased sales volume	
iii.	Increased your customers	
iv.	Advertising your products	
v.	Connecting directly with your customers	
vii.	None of the above	
vi.	Others (specify)	

Please tick (√) the extent to which the following elements related to of marketing information have influenced progress of small and medium enterprises in the country. Use a scale of 5- to a very great extent, 4- to a great extent, 3- to a moderate extent, 2- to a little extent, and 1- to no extent.

Elements of Marketing Information	5	4	3	2	1
Customer needs					
Quality products					
Technological information					

From a general perspective, kindly tick (√) the level of your agreement on the statement that marketing information has influenced progress of SMEs in the country. Use a scale of 5- strongly agree, 4- agree, 3- neutral, 2- disagree, and 1 –strongly disagree.

Statement	5	4	3	2	1
Marketing information has influenced progress of SMEs					

Intervening Variable

Kindly rank the level of economic growth/performance in the country. Use a scale of 5-very well, 4-well, 3-fair, 2-weak, and 1-poor.

Statement	5	4	3	2	1
Level of economic growth/performance					

Mount Kenya University

APPENDIX D ERC APPROVAL

Mount Kenya University

REF: **MKU/ISERC/3122** Date: 10 January 2024
TO: **GEORGE KAMAU NGANGA**

REG: **MSCPM/2020/66545**

Dear Sir/Madam,

RE: ASSESSMENT OF GOVERNMENT POLICIES, FINANCIAL ACCESS, MANAGERIAL CAPACITY AND MARKET INFORMATION ON THE PROGRESS OF SMALL AND MEDIUM ENTERPRISES IN BULAWAYO PROVINCE IN ZIMBABWE

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **2166.** The approval period is **10/01/2024 - 09/01/2025.**

This approval is subject to compliance with the following requirements:

i. Only approved documents including informed consents, study instruments, MTA will be used
ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
iii. Death and life threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
v. Clearance for export of biological specimens must be obtained from relevant institutions
vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**

Prior to commencing your study, you will be expected to comply with any additional requirements from the relevant authorities in the country where this study will be conducted.

Yours sincerely,

The Chairman
Mount Kenya University
Ethics Review Committee
P. O. Box 342 - 0100, Thika

Dr. Alfred Owino, PhD
Chairman, Mount Kenya University ISERC

APPENDIX E POSTGRADUATE INTRODUCTION LETTER

Mount Kenya University

DIRECTORATE OF GRADUATE STUDIES

MSCPM/2020/66545

12th January, 2024

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: GEORGE KAMAU NGANGA– REGISTRATION NO. MSCPM/2020/66545

The purpose of this letter is to introduce the above named student who is pursuing **Master of Science in Project Management** in the **Department of Management** in the school of **Business and Economics**

The title of the research is **"Assessment of Government Policies, Financial Access, Managerial Capacity and Market Information on the Progress of Small and Medium Enterprises in Bulawayo Province in Zimbabwe."** It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **January 2024, and March 2024.**

Any assistance accorded to the student will be highly appreciated.

Thank you.

Mount Kenya University
P.O. Box 342 - 01000, Thika
Office of the Director,
Graduate Studies

Dr. Samuel M. Karenga, Ph.D
Director, Graduate Studies
Enc.

Main Campus, General Kago Road, P.O. Box 342-01000 Thika.
Cell: +254 709 153 000 / +254 709 153 200
Email: info@mku.ac.ke Web: www.mku.ac.ke

APPENDIX F RESEARCH LICENSE

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **139301**

Date of Issue: **18/January/2024**

RESEARCH LICENSE

This is to Certify that Mr.. George Kamau Kamau of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Kiambu on the topic: ASSESSMENT OF GOVERNMENT POLICIES, FINANCIAL ACCESS, MANAGERIAL CAPACITY AND MARKET INFORMATION ON THE PROGRESS OF SMALL AND MEDIUM ENTERPRISES IN BULAWAYO PROVINCE IN ZIMBABWE for the period ending : 18/January/2025.

License No: **NACOSTI/P/24/32570**

139301

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

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See overleaf for conditions

APPENDIX G SIMILARITY INDEX

ASSESSMENT OF GOVERNMENT POLICIES, FINANCE ACCESSIBILITY, MANAGERIAL COMPETENCY AND MARKET INFORMATION ON THE PROGRESS OF SMALL AND MEDIUM ENTERPRISES IN BULAWAYO PROVINCE IN ZIMBABWE

ORIGINALITY REPORT

15%	15%	5%	5%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	ir.jkuat.ac.ke Internet Source	2%
2	researchspace.ukzn.ac.za Internet Source	1%
3	erepository.uonbi.ac.ke:8080 Internet Source	1%
4	erepository.uonbi.ac.ke Internet Source	1%
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