Advancement of Small and Medium Enterprises (SMEs) Through Training and Upgrading of Skills in Zimbabwe

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Abstract: This article discusses the development of small and medium enterprises through training in Zimbabwe. It is an excerpt of a complete PhD thesis of which the subjects of study were registered small and medium entrepreneurs in Bulawayo. A sample of 171 out of a total of 300 small and medium entrepreneurs was selected through purposive sampling. Data were collected through interviews of selected respondents from the enterprises. The respondents were selected from different categories of employees ranging from managers to low level workers. The results of the study indicated that there is need for medium enterprises to embrace training as a factor in development and that there should be government support through the provision of foreign currency to the business sector to facilitate trading with international markets. The focus in this article is on the independent variable of training, one of the factors discovered in the results of the study.

I. INTRODUCTION

Small And Medium Enterprises (SMEs) play an important role in the economic development of a nation not only in Zimbabwe but also in other economies around the world. Manufacturing SMEs in particular could play a leading role but they need technical and innovative, financial and marketing support if they are to thrive. The view that SMEs in Zimbabwe are on the decline is not surprising (Bhoroma, 2018). According to Bhoroma (2018), Africa is the world’s second-largest continent with abundant natural resources. Despite all this rich endowment in the continent, (Ibid, 2018) many countries within Africa remain poor and underdeveloped. As a result of the impact of globalization, these underdeveloped and developing countries are emerging out of economic doldrums and meeting the challenge of becoming potential economic powerhouses. This positive drive has enabled potential indigenous people to open up micro, small, medium and large enterprises (Ibid, 2018). These enterprises have contributed immensely to the economic growth of their host countries. Most of the SMEs operate in countries that have low to middle level of income. The development of SMEs has, consequently, increased the rate of employment and income in many countries gradually. World Bank (2012) points out that for hundreds of years entrepreneurship has been in existence around the world. This concept has been picked up and embraced as an alternative way of earning a living in many parts of the world. SMEs, therefore, play an important role in many communities worldwide.

Barringer and Ireland (2008) note that entrepreneurship is a process of allowing individuals to seek opportunities through innovation to enable them manage resources and create value. There are several reasons that encourage individuals to go into entrepreneurship. Some of them could be enthusiasm towards ownership and economic and demographic factors. In this regard, the Organization for Economic Co-operation and Development defines an entrepreneur as someone who creates and exchanges value through identification and employment of changes in resources, opportunities and innovation (Frondel, Horbach and Rennings, 2007). Schumpeter (1965) in his book “The Theory of Economic Development”, defines an entrepreneur as a person who applies innovation and implements change in the economy. Sobel and King (2008) also confirm that an entrepreneur plays a vital role in boosting the economy through introducing new products and opening new markets. Sobel, et al(2008) argue that for an effective and successful business, it is important that entrepreneurs have the primary characteristics such as passion for the business, having customer focus and tenacity despite failure and executing intelligence. Entrepreneurs should also have some form of creativity, willingness to take risks, dedication, enthusiasm, commitment and motivation. Kushnir (2010) has also put it that currently most countries encourage entrepreneurship because it helps boost economies through investment. SMEs stimulate economic growth (Ariyo (2000). In an effort to create employment opportunities in an environment where unemployment is on the increase, most of the youths and retired people are now opting for entrepreneurship (Ozigbo and Ezeaku, 2009). Unemployment is substantially decreasing through entrepreneurship in many countries, as a result.

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II. THE OBJECTIVES OF THIS STUDY WERE AS FOLLOWS:
1.1 To develop a framework that could unlock developmental knowledge vested in institutions and other programs.
1.2 To assess the importance of training in the development of small and medium enterprises in Zimbabwe.

2.1 Literature Review

Obtainable information from South Africa shows that, lack of entrepreneurship training is one of the major causes of low level entrepreneurial contribution and the high failure rate of SMEs in most Sub-Saharan African countries (Fotoki and Garwe, 2011). Other impediments are limited managerial skills and the capacity of people who start and operate businesses, in terms of their attitudes, motivation, exposure, skills and experience.

Hisrich, Peters & Shepherd (2005) define entrepreneurship as the process of creating new value by developing the necessary time and effort assuming the accompanying financial, psychological and social skills to get the results are available in the incumbent entrepreneur. Entrepreneurship is the dynamic process of creating incremental wealth. This wealth accrues to individuals who take risks in the equity they invest, time commitment in providing value for some products or services. The product/service may not be new or unique but its value must be infused by the entrepreneur through securing and allocating the necessary skills and resources.

The word entrepreneur describes individuals who undertake the risk of starting an enterprise. They could also be termed contractors who bear the risks of profit and loss. Schumpeter (1912) defines an entrepreneur as a person who reforms or revolutionises the pattern of production by exploiting an invention or more generally an untried technological possibility of producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or new outlet for products.

Countries can boost entrepreneurship development through education and training. Studies have shown that there is a positive relationship between entrepreneurship education and training on one hand and entrepreneurial success on the other hand (Herrington, Kew & Kew, 2008); Robertson, Collins, Medeira and Slater, 2003; (Lee et al., 2006). Education is known to have a strong positive influence on the entrepreneurial performance of any country (Robinson and Sexton, 1994). It is regarded as a key factor in establishing a culture of entrepreneurship (Steenekamp, Van der Merwe and Athayde, 2011).

The terms ‘entrepreneurship education’ and ‘entrepreneurship training’ are generally used synonymously (Nabi, et al. 2018). According to Akhuemokhan, Raimi and Sofoluwe (2013, p.64), entrepreneurship education refers to a "set of specialised knowledge which inculcates into learners the traits of innovation, risk-taking, arbitrage and co-ordination of factors of production with the aim of creating new products and services for both new and existing users within human communities." Gedeon (2014) defines the term as a means of empowering students with a philosophy of entrepreneurial thinking, passion, and action-orientation which they can apply to their lives, their communities, their jobs or their own new ventures.

Entrepreneurship training is the process of altering the mind-set of students towards applying an innovative approach and creative thinking in order to proffer solutions to societal problems, assuming responsibility for both profit and risk and thereby creating employment for others (Gedeon, 2014). Entrepreneurship education, therefore, aims to alter the beliefs and attitudes of learners while equipping them with the entrepreneurial skills and knowledge requisite for success in business. It includes various programmes targeted at changing the world view of learners from job seekers to job creators. Unlike ordinary business management, entrepreneurship involves elements of risk taking, creativity and innovation (Nabiet al., 2018).

In Zimbabwe, there are numerous policy driven initiatives that support businesses including funding arrangements such as Kurera-Ukonnda Youth Fund for entrepreneurship development. Training in entrepreneurship is now offered at both colleges and universities around the country. This plays an important part in the development of young entrepreneurs in the country. Whilst the Government has made commitment to support the SME sector over the years, there has not been a comprehensive intervention program that recognizes the need to support SMEs for meaningful contribution to the economic development of the country. This has mainly been a result of lack of resources which have continued to affect the sector for many years. However, it is worth noting that there is no shortage of institutions supporting SMEs. The most notable ones are the Small Enterprise Development Corporation (SEDCO), Empretec, Chamber of Commerce, Small Business Support Unit and Zimbabwe Enterprise Development Program. The Ministry of SMEs co-ordinates with the above mentioned organizations mainly through collaborating with Empretec and the Chamber of Commerce. The turnaround of the Zimbabwean economy calls for a more vibrant holistic approach building on these existing support institutions in order to realize sustainable growth and overall economic performance across the board.
2.2 The role of educational and entrepreneurial skills acquisition

Educational and practical skills refer to approaches tailored towards entrepreneurial skills acquisition and self-employment practices combined with self-motivation. Entrepreneurial education and skill acquisition is a process that a person acquires or learns a particular skill or type of behavior needed for business through training or education (Amadi, 2012; Chukwunenyi and Igboke, 2011; Ibru, 2009). Educational and practical skills acquisition is done in order to identify and exploit an entrepreneurial opportunity for self-employment (Samian and Buntat, 2012; Stohmeyer, 2007). This too, helps entrepreneurs to acquire self-confidence, self-esteem and participate in decision-making at household and community levels (Cheston and Kuhn, 2002; Ciavarella, Buchholtz, Riordan, Gatewood, & Stokes 2004). Entrepreneurship has increased in the past through education and skills development in societies across the globe. This approach has also gained momentum in importance and interest amongst academicians and business people (Kuratko, 2005). A study by Bae, Qian, Miao and Fiet (2014) has highlighted that there are different aspects and impacts of entrepreneurship education for sustainable development. It provides attributes such as individual growth, propensity for entrepreneurship and increased societal resilience for continuing in business in developing countries. Fayolle and Klandt (2006) note that, several studies focused on delineation of the differences that exist across countries and educational institutions in terms of objectives, target audiences, format and pedagogical approaches for developing entrepreneurial mindsets among University students. In this light, it is important to acknowledge the entrepreneurial mind set as a fundamental precursor of technological entrepreneurship (Robinson and Sexton, 1994); (Steenekamp, Van der Merwe and Athayde, 2011).

Contrary to the notion that entrepreneurs are born, a longitudinal study by Penaluna, Coates and Penaluna (2010) revealed that through entrepreneurship education, entrepreneurship can be taught. This position is corroborated by Kuratko (2005) who asserts that entrepreneurial ability is neither mystical nor magical but rather something that can be learned. Entrepreneurship education is a means of raising awareness of learners of the value and nature of entrepreneurship as well as delivering skills and knowledge that they may apply in operating new enterprises. It is through education and training that the required human capacity for successful entrepreneurial engagement is developed. Therefore, a country with qualitative entrepreneurial education would likely produce successful entrepreneurs (Nabi, Walmsley, Liñán, Akhtar, & Neame 2018).

Entrepreneurship education for economic growth is designed to support graduates and potential entrepreneurs to establish and run their own businesses rather than expect employment. The capacity limitation for entrepreneurs to start their own businesses is caused by a lack of an enabling entrepreneurship regulatory framework such as taxes and the heavy costs of compliance, among other things. (Nieman and Nieuwenhuizen, 2009; Olomi and Sinyamule, 2006). This has subsequently led to unacceptable and disappointingly high number of Small to Medium Enterprises failure during the first few years of operation causing social injustices such as unemployment and poor living standards.

There has been a dramatic increase in competition as a result of global competition and hence the need for efficiency achievable specifically through training. The most favored kind of training to meet the challenge has been just-in-time training. Firms have now become learning organisations. They have realized that Training and development has to be a non-stop process. Such training needs have taken cognizance of the fact that the environment is dynamic. Firms have, therefore, to provide training initiatives that address various critical needs(Mondy, Noe & "Premeaux, 2002).

The requisite training among business organisations, therefore, should encompass the following kind of needs:
- to guide individual employees in planning and managing their careers
- to help managers coach and mentor employees
- to help managers and employees deal with change.
(Mondy, Noe & "Premeaux, 2002).

2.3 Determining Training and Development Needs

Steps in the training and development process include analyses on different levels such as the determination of specific training and development needs and an analysis of the tasks that must be accomplished. Training and development should not be done simply because other organisations are doing it as this could result in failure. There must be a specific reason for doing so in the incumbent organisation(Mondy, Noe & "Premeaux, 2002).

Successful organisations attain their enviable positions by becoming learning organisations in which those that lead them bequeath their knowledge on a day to day basis (Tichy & Cohen, 1998; in Khumalo, R. 2001).

Recognising the importance of meeting customers, many organisations in addition to establishing philosophies, standards and systems are increasingly providing customer service training to capacitate employees in the skills they need to meet and exceed customer expectations (Gomez, M, 2007). Generally, frontline service employees are often viewed as temporary employees not deserving the investment. However,
the reality is that customer service skills can determine the survival of a business. For example, customer service is critical in the restaurant industry (Gomez, Mejia, 2007).

Khumalo (1997) asserts that the training of employees and the production of quality products have been found to be positively related. Organisations with training programmes have also been found to attract high quality employees. Considering that such companies insist on their leaders doing the teaching, they as a result produce capable leaders because teaching creates a mastery of ideas and concepts (Tichy & Cohen, 1998: in Khumalo, 2001).

Companies that emphasise training commit to the idea that everyone can be a source of ideas. Learning flows in all directions upwards as well as downwards in the organisation. All ideas are valuable and making a mistake is perceived as an opportunity to learn (Kramlinger, 1992). Learning is often designed to support every employee’s efforts and should fit in well with other activities of the. For example, middle managers should be acquainted with listening and negotiating skills to facilitate with leaning in their interaction with employees within the departments, (La van, Mathys & Drehmer, 1983).

Two alternative methods are generally used by organisations in training. Firstly, there is one using training specialists, and the other one making use of managers and supervisors. The latter method, because of its being easy to employ and its being economical is preferred by most organisations (Gilley & Moore, 1986). The influence of the supervisor on an employee’s career is of greater importance than any other factor (Gilley & Moore, 1986). This is related to a superior’s functions that include monitoring and coaching the subordinates (Khumalo, 2001).

2.4 Education level

It is an anomaly though that despite this high level of literacy in Zimbabwe compared to other countries in the region, the country’s economy has deteriorated seriously and could be worse than that of its neighbouring states. This bespeaks of other phenomena interfering with education as a predictor for success, for example, corruption and the nation’s inequality of the distribution of resources (Philip and Groot, 2015).

2.5 Method

This study adopted a mixed research method. A research methodology is a concise account of how the study is carried out. Quinlan et al, (2015) state that, research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. A research methodology contains the various steps that are generally adopted by a researcher in studying her research problem along with the logic behind them. Quinlan et al (2015). The implication of what Quinlan et al (2015), and Leedyet al, (2010), is that, it is necessary for the researcher to design her methodology for the research problem as the same may differ from problem to problem.

In this case, qualitative and quantitative research approaches were adopted. Quinlan et al (2015); Bowen (2009); describe mixed (triangulation) research methods as a research method with philosophical assumptions and methods of inquiry that combine quantitative and qualitative approaches to provide a better understanding of the research problem.

The target population of the study was 300 registered entrepreneurs in the city of Bulawayo. A sample of 171 companies was selected through purposive sampling.

2.6 Importance of Fostering Entrepreneurship

According to Reedy, Fairlie, Morelix and Russell (2016); Fikri et al, (2017), business dynamism refers to the rate of company churn in an economy. It is common to measure this agitation as the number of establishments that start and close in an economy over a period, typically one year (Fikri et al., 2017). It is a positive metric usually signifying that the number of establishments starting outpaces closures. Business dynamism is essential to national, regional, and local economies because they all depend upon constant economic rebirth (Ibid, 2017). This rebirth happens when businesses bring to market new ideas, technologies and business models within or cross-industries that are continually disrupting and replacing those of the past (Ibid, 2017). The introduction of new companies challenges the status quo by increasing competition as well as influencing employment through job creation (Ibid, 2017). When an economy has high rates of dynamism, this continuous rebirth cycle ensures the economy is progressing instead of stagnating and this expansion is a sign of improving productivity, job growth and the rising of standards of living. However, this kind of growth is not the case because businesses fail even globally. The United States has a legacy of innovation and economic strength that supports its reputation as a country of business opportunity leading to enduring prosperity for many of its citizens (Fikri et al., 2017).

A healthy level of business dynamism, driven by vigorous startup activity is vital to the economies of the world. Business maintains its leadership and economic affluence to gain a competitive advantage. Arguably, Fikri et al, (2017) note that the United States is experiencing a steady decrease in business dynamism. This refers to a decreasing trend of companies entering and exiting their establishments in the economy. This shows
The deterioration in dynamism in the US reached an all-time low during the Great Recession years of 2009 and 2010. During this period, the rate of establishment entries dropped to 9%. From 1977 to 2014, the number of new firms per US$1 billion in GDP fell from 95 to 25 (Fikri et al., 2017). The slow business dynamism in the US also contributed to the drop of the US in Global Start-up Rankings. According to Lange (2018), the Robinson Country Intelligence Index (RCII) shows that the US has deteriorated in a critical entrepreneurial indicator, ‘Starting a Business.’ This indicator is a measure of ease of starting a business in each country. The RCII is an interactive tool that tracks Governance, Economics, Operations, and Society through 88 sub-dimensions for up to 199 countries (Fikri et al., 2017). As per the RCII, the United States has dropped its world rank in ‘Starting a Business’ by 17 positions from 5th in 2005 down to 22nd in 2015. According to Hathaway and Litan (2014) the slowdown in new business creation is pervasive across industries. This implies that, new firms are disappearing across all sectors and all geographies. The reason for the decline is still not understood as each economy has its own challenges, business policies and macroeconomic fundamentals that affect the manner in which business is done. For example, the evolution from a manufacturing-based to a service-dominated economy should have increased the startup rate, given that barriers to entry are lower and firm sizes are on average smaller in the less capital-intensive services sector (Fikri et al., 2017).

One apparent outcome of declining dynamism is that the economy is increasingly driven by a concentrated number of larger and older firms that cluster in specific geographies; the average firm is now older than ever recorded in recent history (Fikri et al., 2017). In 1977 over 16 percent of all businesses in the United States was less than one year old, but by 2014, that figure halved to 8 percent (Ibid, 2017). The concern of having less new firms challenging incumbent firms is that such a scenario decreases competition, decreases productivity and ultimately makes the economy less resilient (Ibid, 2017). The deficit in new businesses significantly harms the labor market, muting both the quality and quantity of job growth; for example, the economy would have likely produced 924,000 additional jobs in 2014 had the startup rate been as high as in 2006 (Ibid, 2017). Larger and older firms now employ a record portion of the workforce; in 2014, three of every four American workers were on the payrolls of companies at least 16 years old (Ibid, 2017). “Unfortunately, longer-term incumbent companies typically produce new jobs at a slower rate in fewer geographic areas than a constant inflow of start-ups” (Ibid, 2017). The interest in supporting entrepreneurs is extensive in other economies as represented by a wide-range of BIA sponsors from federal state and local governments inclusive of small business administrations, universities, private investor groups and corporations (Yu, Yu, Pau and Stough 2016).

2.7 Unlock Developmental Knowledge Vested In Institutions and Other Programs

It is empirical for institutions such as colleges and universities to ensure that they unlock entrepreneurial skills and unleash their potential to contribute to the GDP and national income. A study revealed that though entrepreneurs had the potential to significantly contribute to the GDP, they were constrained by limited entrepreneurial skills that are inherent as most entrepreneurs had not received any training in business management.

III. RESULTS

To a greater extent universities and colleges have unlocked entrepreneurial skills in entrepreneurs. Innovation is the cornerstone of successful entrepreneurship within dynamic emerging markets. It requires both expert level domain knowledge and the ability of training provided by universities and colleges. Furthermore, universities should not only train but impart entrepreneurial skills to college and university students so that they do not become job seekers but creators of their own employment. It has been noted that universities should also be developing entrepreneurship policies and implementing these initiatives to embed entrepreneurial thinking and practice within teaching so that after students graduate, they could go and start businesses where they put into practice the theoretical knowledge that they have acquired.

However, the contribution of universities to entrepreneurship development in Zimbabwe as observed by Carter et al, 2006 revealed that entrepreneurs lacked quality control, technology and skills hence there is a need for business incubators in colleges and universities to integrate theory and practice. Respondents bemoan lack of entrepreneurship intention from university students which they attribute to lack of incubations at institutions of higher learning. This response is in line with Shumba (2014) and Sautet (2011); Malebanenet al, (2015) who also observe that there has been limited entrepreneurial intention in university students thus affecting entrepreneurial development in Zimbabwe.
IV. CONCLUSION

In conclusion, there should be entrepreneurship education meant to equip SMEs owners with requisite skills that are paramount in entrepreneurial development in the country. This conclusion advances the idea for advocating for the setting up of entrepreneurial business development incubators at universities and the establishment of vocational training tertiary colleges across the country. This conclusion resonates with a study conducted by Ndedi (2009) in South Africa. It acknowledges that entrepreneurship education through incubators is being provided at several institutions of higher learning in that country and it has proven to be bearing the needed results.

This study further concludes that the establishment of incubators at schools, irrespective of level of learning, prepares learners to become competent entrepreneurs. Universities and colleges are very passive participants in the economic development of Zimbabwe as the country has not yet addressed the structural issues surrounding the industry-university partnership initiatives. This conclusion is also in-line with assertions by Ngwenya (2016), who posits that South Africa has a very strong government supported industry-university partnership policy through business incubation strategies. Thus, lack of business incubation in institutions of higher learning can be concluded to be the major cause of slow entrepreneurial development to enhance economic development in Zimbabwe.

Entrepreneurship education provides the right mind set for learners and potential entrepreneurs in setting up new businesses. This contributes to economic growth, economic competitiveness, economic independence, self-esteem, job creation, social welfare, as well as political stability and national security of a country (Fatoki et al., 2011). It is here concluded therefore, that entrepreneurial development through education is useful among the youth and women, their families, the society at large and the country’s economy. However, the deduction drawn by this study is that, Zimbabwean youth and women lag behind in setting up their own business ventures.

In addition, it was concluded in the study that education unlocks skills development in entrepreneurs as it integrates scientific, academic and commercial activities to heighten entrepreneurship capabilities. Entrepreneurs with a sound educational background are highly innovative and productive. Shumba (2014) also points to this fact, when advocating that entrepreneurs should be accorded opportunities to adequately equip themselves.

The technical skills training and training service providers such as universities and colleges should provide training to all potential entrepreneurs in SMEs in business management at concessionary fees or rates to ensure entrepreneurs are afforded a chance of harnessing skills in business management. Record keeping and financial analysis would help them in the performance measurement of their businesses. Thus, training institutions or colleges should provide both technical and business training to SMEs so that these entrepreneurs can withstand competition, develop entrepreneurial spirit and improve managerial skills in such a competitive world.

Local SMEs should develop their strategic planning and implementation skills by attending training workshops. This will help to develop a strategic planning culture among SMEs. According to Al-Turki (2011), Strategic planning is a culture as much as it is a process. Spreading the culture throughout the organization is a major success factor of strategic planning. The culture can be achieved by awareness sessions and training workshops at all levels of the organization.

V. RECOMMENDATIONS

- Economic zones should be established in all the regions of the country to support local SMEs with training.
- SMEs should form themselves into chapters region by region to mobilise ideas and resources for collective recommendations to government to address matters affecting SMEs in general.
- Export incentives for SMEs as the drivers for boosting the economy should be considered for effecting by government.

VI. RECOMMENDATIONS FOR FURTHER STUDY

The researchers acknowledge that training and upgrading of skills of entrepreneurs may not be a panacea for all the ills in the development of SMEs in Zimbabwe. Further studies could, therefore, be pursued to look for other factors that could improve the development of SMEs in the country.

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