

A Descriptive Study of the Growth Strategies Adopted by Small to Medium Enterprises (SMEs) in Harare, Zimbabwe (2009 – 2021)

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Abstract: The role played by Small and Medium Enterprises (SMEs) in economic development is substantial, hence their progression and viability is of major concern. This study aimed to describe the growth strategies adopted by SMEs in Harare. A descriptive survey research design was used. In the first strand quantitative data was collected through questionnaires from sixty-one SMEs. In the second strand qualitative data was collected through interviews with thirty selected participants from the first strand. Research findings show that the key strategy used by SMEs is networking market penetration, market development, human resource strategy, diversification strategy and product development strategy. Education was the most prominent factor affecting the choice of strategy. The study recommends SMEs to make use of growth strategies that are in line with their vision and mission. A thorough analysis of the environment wherein they operate should be done before they use a particular growth strategy.

Keywords: Growth strategies, Small to Medium Enterprises.

I. INTRODUCTION

The incessant failure and stagnancy of SMEs in Harare, Zimbabwe has become a major concern to the government. SMEs either struggle to make it to the fifth year or they experience marginal growth then stagnate (SMEAZ report (2016), Maseko, Manyani et al, 2012). Despite efforts by institutions such as SMEAZ to support the SMEs, failure and stagnancy rates are still rising with most SMEs failing to service or pay back their loans. According to Auditor General's report, the Small and Medium Enterprises Development Cooperative (SMEDCO) had not recovered 67% of loans issued to SMEs. This problem has negatively affected employment levels as most people end up being laid off. A possible cause of this problem could be the growth strategies being adopted by SMEs. Previous researches in Zimbabwe have focused on strategy formulation and implementation by SMEs (Nyamwanza, 2013;), challenges faced by SMEs (Tinarwo, 2016; Karedza et al., 2014; Chimucheka, 2012; Majoni et al., 2016) and causes of failure of SMEs (Chiwara 2015); Mudavanhu et al., 2011) but there is a gap in as far as growth strategies used by SMEs are concerned. This is like an anchor indicating the need for this research. Hence a descriptive study of the growth strategies adopted by SMEs in Zimbabwe is of essence since SMEs are now the drivers of economic growth and development.

1.1.1 Research objective

The primary objective of the study was to analyse the growth strategies adopted by SMEs in Harare, Zimbabwe during the period 2009 to 2021.

II. LITERATURE REVIEW

A Growth strategy is a well-thought-out course of activities that a business commences in order to enlarge its operations, market share, sales and profits. Growth of SMEs can be attained in diverse ways;

2.1.1 Innovation strategy

Beacham (2006) points out that innovation is the effectual utilization of novel ideas. Broadly, innovation entails bringing something new or designing a new technique or procedure. Additionally, innovation is the embodiment, amalgamation or blending of information in creative, suitable, appreciated new products, methods and services (Luecke and Katz, 2003). Innovation can be construed to be the fruitful execution of original concepts in a company (Amabile, 1996). It is obvious from these definitions that innovation encompasses converting imaginings, views and concepts into actuality in order to have competitive edge. Beecham (2006) and Karabulut (2015) believe that innovation strategy pushes SMEs to improve their customer performance and internal corporate practices. Moreover, SMEs experience growth due to the learning which comes with innovation. SMEs that consistently innovate will expand their business and survive in the midst of challenges (Porter and Stern, 2001). The acquisition and deployment of state of the art technology by a number of companies means that factors like good quality, low costs of production and reorganisation are no longer drivers of competitive advantage but mere hygiene factors. Palmer and Kaplan (n.d) agree with this assertion as they emphasise the need to stimulate an innovation based culture within the firm in the long run. Innovative firms have shifted the playing field in their favour because they are futuristic in their thinking. Innovation can be viewed as an antithesis of the old school of Kim and Mauborgne (2005) contends that companies which make deliberate innovation moves do not need to fight rivals. They brought a thought provoking facet supporting innovation by utilising the blue oceans strategy.

2.1.2 Marketing Strategy

According to Oloko et al. (2014) marketing strategy is an approach that allows an entrepreneur to control activities that are in line with the objectives of the company and use financial resources prudently in order to achieve the best possible return on the investment. Bouazza et al. (2015) claims that marketing dexterity is one of the most effective factors to small enterprise success and growth. Van Scheers (2012) agrees with the assertion that marketing ability is a fundamental factor hence lack of it has a negative impact on the survival of small businesses. Levitt cited in Burnett (2008), states that the intention of all business is to look for the customers and retain them. And the only way that can be achieved is by creating a competitive advantage. That is, SMEs must be able to persuade customers that what they are offering is the best towards meeting their specific needs or wants at that point in time. However customer retention is viewed by Hui (2006) as a defensive marketing tactic suggesting that SMEs should relentlessly move ahead of the competition to maintain loyalty of the customers. Li and Calantone (1998) point out that those SMEs are more adept at generating market knowledge will be able to achieve better performance because they will have better access to information about consumer preferences. Hollensen, (2011) claim customers do not buy product features but benefits derived from utilising them. In a research carried out by Oloko et al. (2014) concluded that marketing plays a critical role in enhancing a SMEs growth and performance in capturing new markets, retention of the market and promoting financial strength in profits of the company. The research found various marketing strategies being used that consist of: animation, auditory marketing, new product creation, distribution channels, brand alliances, pricing, use of celebrities, content localization and constant promotions.

2.1.3 Human Resources Strategy

Wright (2008) defines human resource strategy as a system of human resource practices for a particular job or collection of jobs aimed at the best staff performance possible to meet the organisation's ultimate goals. Several studies agree that there is a significant relationship between human resource strategy and firm profitability (Quresh et al. 2010, Guest 2002, Wright et al. 2003, Tessama and Soeters 2006, Chen and Huang 2009). This means that human resource plays a critical role in the success of the organisation. Bouazza et al. (2015) and Lee (2001) claim that human resource is one of the most important factors for the development and success of SMEs. Securing and retention of high quality staff is essential factor for SMEs' growth. Nevertheless, Wong et al. (1997), Kok (2003) argued that SMEs give less priority to human resource management practices as compared to large enterprises. Wright (2008) purport that what employees accomplish at work is mainly as a result of what they have acquired, because they cannot be productive if they did not acquire the correct skills. Thus they give what they have. Therefore careful recruitment and selection, mentoring,

training and motivation of staff contribute the success of the organisation.

2.1.4 Networking strategy

Gulati (1998) defines networking as an activity by which organisation or entrepreneurs meet to form business relationships of strategic significance. The lifeblood of the business is found in making the right connections through networking (Rittscher 2012). Networking and collaborative strategies contribute to the development and success of SMEs and strategic networks or alliances are fundamental for SMEs striving to obtain a sustainable competitive advantage within their business environments (Antoldi et al., 2012). Networking helps small firms to access resources, information, markets and technologies and facilitates the attainment of benefits from economies of scale, learning and scope which would otherwise not available to them (Starr and MacMillan 1990, Aldrich and Zimmer 1986). Coviello and Munro 1995, 1997, Chetty and Agndal 2007 added that SMEs depend heavily on networks in undertaking opportunities by helping them to share risks and challenges. Pecos and Henriques (2006) alludes that SMEs that belonging to a network are more likely to be innovative compared to those in seclusion and this gives them a higher chance to grow. According to Ramsden and Bennett (2005), the growth of small enterprises depends with the extent of interrelationship among firms. However OECD (2000) alludes that SMEs have less influence on the external relationships with customers, suppliers and external markets due to limited resources. As a result their survival and growth depends on their flexibility in responding to the external forces.

2.1.5 Collaboration strategy

According to Anderson (1995) collaboration is when two or more organisations work together towards achieving a common goal by sharing ideas and skills. Collaboration plays a significant role in the growth and survival of SMEs by developing necessary networks and relationships (Widjajanti 2015). Yasa, et al. (2013) declares that SMEs may adopt corporate partnership strategies like collaboration to expand their client base to attract wide range of customers. These collaborations have the potential to improve SME's performance by compensating their internal weakness of lack of resources and information (Shaw, 2006). Collaborative attempts show the aspiration to create new marketing channels through networking activities. SMEs have to engage in collaborations to overcome their internal weaknesses (Widjajanti, 2015). Consequently, SMEs should consider collaboration as a growth strategy to remain viable in a competitive environment.

2.1.6 Market Penetration Strategy

Market penetration is an effort by a firm to boost its revenue by selling the same products and services in the same market without leaving its original product-market strategy. In addition, the firm attempt to improve its performance either by growing the volume of revenue to its existing customers or

by looking for new customers for existing products (Ansoff, 1957). For this reason it is a low risk strategy (CIMA, n.d), since the organisation is not developing new products or venturing into new markets. The growth strategy is most ideal in a market that is still growing, where merely maintaining market share will result in growth of the firm (CIMA, n.d). Wainaina and Oloko (2016) claim the market penetration has a positive impact on firms’ growth. Mascarenhas-Keyes et al., (2006) assert that growth requires expanding what a firm is currently exploiting to a more potential customer.

2.1.7 Market development strategy

According to Ansoff (1957) market development is a strategy whereby the company make an effort to increase its sales of existing products and services or with minor variation in the product features to the new markets. This can be achieved through selling in different geographical areas, selling through different sales channels such as online or selling to different demographic groups such as age or gender (CIMA, n.d). The market may be entirely new to the organisation and this poses a risk.

2.1.8 Product development Strategy

Ansoff (1957) defines product development as a strategy whereby the firm develops new products with different features and attempt to sell it in the existing market. Ramaseshan et al. (2002), claims that new products are essential to the survival and long-term growth SMEs. According to CIMA (n.d) this strategy is best for the organisation that posses a significant market share of a particular market and desires to expand its product range. Nonetheless, the company would need to invest heavily in research and development. Since the strategy relates to the new products, any challenges that are encountered have an impact on organisation’s reputation.

2.1.9 Diversification Strategy

Diversification is where by the firm develops new products with different features for a new market (Ansoff, 1957). When a firm consider adopting a strategy for growth, diversification should be considered last after exhausting market penetration, market development and product development because of it high risk of failure (Ansoff, 1957). Hussain (2013) concurs with this finding that diversification does not necessarily lead to growth but could actually lead to the downfall if it is ill advised. Diversification is the most risky strategy and it is advisable to carry this strategy out as a supplement to the existing core business (CIMA, n.d).

III. METHODOLOGY

A descriptive survey research design was used. Guided by the Yamane sample size calculator (1967), a random sample of sixty-one SMEs was sampled out of a total number of seventy-two SMEs registered with the Small and Medium Enterprise Association in Zimbabwe (SMEAZ) in Harare.

IV. FINDINGS

This section summarises the findings on growth strategies adopted by the SMEs, and are categorised into nine subjects of the research. The subjects comprise market penetration strategy, product development strategy, market development strategy, diversification strategy, marketing strategy, human resource strategy, innovation strategy, networking strategy and collaboration strategy. The results were presented using descriptive statistics in the form of graphs and tables. Figure 1 below shows average percentage of SMEs for each growth strategy adopted. The figure indicates that networking strategy was the most adopted growth strategy with 22.09%, followed by market penetration strategy with 12.49%. The least adopted strategy was innovation strategy with 8.09%.

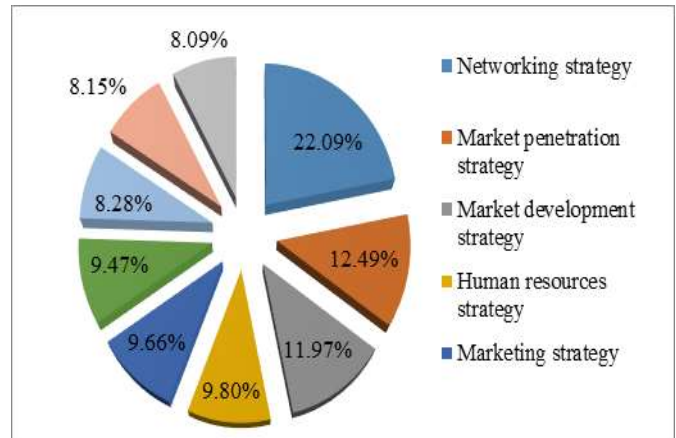


Figure 1: Percentage of SMEs adopting a growth strategy

Source : Researcher’s findings

Table 1 below indicates whether the enterprises have adopted growth strategies or not. The table indicates that 91.8% of the enterprises have adopted a growth strategy. This is almost similar to the results obtained by Anyanga and Nyamita (2016) that 96.5% of the enterprises had adopted growth strategy.

Table 1: Has the business adopted growth strategy

| | Frequency | Percent | Valid percent | Cumulative percent |
|-------|-----------|---------|---------------|--------------------|
| Yes | 56 | 91.8% | 91.8% | 91.8% |
| No | 5 | 8.2% | 8.2% | 100.0% |
| Total | 61 | 100.0% | 100.0% | |

Source: Researcher’s findings

The degree of adoption of growth strategies by the SMEs based on the specific strategy on the aforesaid subjects were presented below.

4.1 Market Penetration strategy

The market penetration strategy was analysed using the three statements included in table 2. The table shows that on average the mean score for market penetration strategy was

3.54 (to a greater extent), with a standard deviation of 1 indicating heterogeneous of perception of respondents. Furthermore, for the statement on extended products and services to various market segments, the mean is 3.98 (to a great extent), with a standard deviation of 1 indicating heterogeneous of respondents' perception. Also on the statement of the firm penetrating deeper into the markets to capture a larger share of the market has a mean of 3.57 (to a great extent), with a standard deviation of 0.9 indicating heterogeneous of respondents' perception. On these statements, respondents agreed to a greater extent but showed completely different views. It can be concluded that the respondents agreed that the enterprises have adopted market penetration strategy to a greater extent, with extension of the products and services to various market segments and penetrating deeper into the markets to capture a larger share of the market. These findings were in disagreement with the findings of Anyanga and Nyamita (2016) that market penetration strategy was adopted to a medium extent with most new products targeting new market segments.

Table 2 :Market penetration strategy

| | Frequency | Mean | Mode | St.Deviation |
|--|-----------|-------------|------|--------------|
| Our firm has penetrated deeper into the markets to capture a larger share of the market | 61 | 3.57 | 3.00 | 0.90 |
| We have extended our products and services to various market segments i.e. opening branches. | 61 | 3.98 | 5.00 | 1.00 |
| We have increased the firm's existing share of products and markets as a way of market penetration strategy. | 61 | 3.05 | 2.00 | 1.10 |
| Market penetration strategy | | 3.54 | | 1.00 |

Source: Researcher's findings

4.2 Product development Strategy

The product development strategy was analysed using the three statements included in table 3 below. The table shows that on average the mean score for product development strategy was 3.20 (to a medium extent), with a standard deviation of 0.83 indicating heterogeneity of respondents' perception. The high mean of 3.59 for having achieved growth through introducing new products with different features for the existing market confirms the earlier results of products being offered to various market segments on table 4.3. It can be summarised from results of table 4.4 that the SMEs adopted product development strategy to a medium extent. This result is similar to those obtained by Anyanga and Nyamita (2016) that the SMEs adopted product development strategy to a medium extent.

Table 3:Product development strategy

| | Frequency | Mean | Mode | St.Deviation |
|--|-----------|-------------|------|--------------|
| We have introduced new products with different features for the existing market in order to grow or remain competitive. | 61 | 3.59 | 4.00 | 1.10 |
| The firm has evolved from its main core activity into more complex business since it embarked on product development strategy. | 61 | 2.89 | 3.00 | 0.70 |
| The firm has achieved high growth by identifying new markets for their new but related products | 61 | 3.11 | 3.00 | 0.70 |
| Product development strategy | | 3.20 | | 0.83 |

Source: Researcher's findings

4.3 Market development strategy

The market development strategies were analysed using the three statements as shown on table 4 below. The table illustrates that the average mean score for market development strategy of 3.48 (to medium extent), with the standard deviation of 0.93, indicating heterogeneity amongst the respondents. The statement where growth was achieved through selling current products in the new markets and through improving and modifying products by branding, labelling and packaging to attract more customers has high mean scores of 3.77 and 3.61 (to a greater extent), with high standard deviations of 1.10 and 1 respectively, indicating heterogeneity of respondents' perception. However, the respondents agreed that on average the market development strategies amongst the enterprises have been adopted at a medium extent. This result is different from those obtained by Anyanga and Nyamita (2016) that market development strategies amongst the enterprises was adopted at a greater extent.

Table 4 :Market development strategy

| | Frequency | Mean | Mode | St.Deviation |
|---|-----------|-------------|------|--------------|
| We have improved and modified our products by branding, labelling and packaging so as to attract more customers and increase our sales. | 61 | 3.61 | 4.00 | 1.00 |
| Through market development we remain competitive and grow in the market. | 61 | 3.07 | 3.00 | 0.70 |
| We have increased sales by selling present products in the new markets i.e. new branches. | 61 | 3.77 | 4.00 | 1.10 |
| Market development strategy | | 3.48 | | 0.93 |

Source: Researcher's findings

4.4 Diversification Strategy

The diversification strategy was analysed using two statements as shown on table 5 below. The table shows an average mean score of 3.29 (to a medium extent), with a standard deviation of 0.85 indicating heterogeneity of respondents' perception.

Table 5:Diversification Strategy

| | Freque ncy | Mean | Mode | St.Devi ation |
|--|---------------|-------------|------|------------------|
| We have introduced new products with different features for the new market in order to grow or remain competitive by widening revenue streams. | 61 | 3.69 | 3.00 | 0.90 |
| We have ventured into an unrelated business from our core business to widen our revenue streams and grow. | 61 | 2.89 | 2.00 | 0.80 |
| Diversification strategy | | 3.29 | | 0.85 |

Source: Researcher’s findings

The statement where growth was achieved through introduction of new products with different features for the new market has a mean score of 3.69 (to a greater extent) with a standard deviation of 0.9, indicating heterogeneity of respondents’ perception. Whereas the statement were growth was achieved through venturing into unrelated business yields a mean score of 2.89 (to a medium extent), with a standard deviation of 0.8 indicating heterogeneity of respondents’ perception. In general, the researcher can conclude that diversification strategy was adopted to a medium extent. This result is different from the findings of Anyanga and Nyamita (2016) that in general diversification strategy was adopted to a greater extent.

4.5 Marketing strategy

The marketing strategies were analysed using six statements shown on table 6 below. The table show average mean score 3.25 (to a medium extent), with a standard deviation of 0.92, indicating heterogeneity of respondents’ perception. The statement where growth was achieved using pricing strategy to attract customers has a mean of 2.66 (to a medium extent), with a very high standard deviation of 1.20 indicating a very high degree of dispersion in respondents perceptions. Also the statement where marketing is considered important as production, financing, distribution and other profit determining factors has a mean score of 3.20 (to a medium extent), with a very high standard deviation of 1.30 very high degree of heterogeneity of respondents’ perception. In conclusion the marketing strategy has been adopted to a medium extent. In a research carried out by Oloko et al. (2014) concluded that marketing plays a critical role in enhancing a SMEs growth and performance in capturing new markets, retention of the market and promoting financial strength.

Table 6:Marketing strategy

| | Freque ncy | Mean | Mode | St.Devi ation |
|--|---------------|------|------|------------------|
| Marketing is as important as production, financing, distribution and other profit determining factors in the firm. | 61 | 3.20 | 4 | 1.30 |
| We use pictures and animations and or music, in the advertisement. | 61 | 3.10 | 3 | 1.10 |

| | | | | |
|---|----|-------------|---|-------------|
| We use pricing strategy as a way to attract the demand of our products. | 61 | 2.66 | 3 | 1.20 |
| We localise the content of our adverts in terms of the language and culture in the target environment where our products are utilised or sold. | 61 | 3.75 | 4 | 0.70 |
| We seek to engage customers, prospects and the competition in the market place for success | 61 | 3.82 | 4 | 0.70 |
| In some instances we combine our brands with other strong complimentary brands to broaden the consumer categories, reduce costs and improve reputation. | 61 | 2.95 | 3 | 0.50 |
| Marketing strategy | | 3.25 | | 0.92 |

Source: Researcher’s findings

4.6 Human resources strategy

The human resource strategy was analysed using six statements as shown on the table 7 below. The table illustrates the average mean score of 3.33 (to a medium extent), with a standard deviation of 0.50 indicating moderate homogeneity of respondents’ perception. The statement where performance is considered to be effective due to the commitment of staff, has a mean score of 2.79 (to a medium extend), with a standard deviation of 0.40 indicating homogeneity of respondents’ perception. In addition, the statement where staff are motivated to increase productivity through has a mean score of 2.92 (to a medium extent) with a standard deviation of 0.6, indicating some heterogeneity of respondents’ perception. In general, it can be concluded that human resource strategy was adopted to a medium extent. This result is different from the findings of Yogo (2013) that in general human resource strategy was adopted at a greater extent.

Table 7:Human resource strategy

| | Freque ncy | Mean | Mode | St.Devi ation |
|--|---------------|-------------|------|------------------|
| We have a human resource policy that we religiously follow when recruiting, selecting, placing, evaluating performance, training and development and handling grievances and conflicts of employees. | 61 | 4.49 | 5.00 | 0.50 |
| We have recruited qualified and potential staff in relevant units of our operation. | 61 | 3.66 | 4.00 | 0.50 |
| We constantly train and mentor our staff to ensure they are equipped with the relevant skills to improve efficiency. | 61 | 3.69 | 4.00 | 0.50 |
| Our performance is effective due to commitment of the staff in their duties. | 61 | 2.79 | 3.00 | 0.40 |
| We ensure customer satisfaction through engaging customer with the staff. | 61 | 2.57 | 3.00 | 0.50 |
| We motivate our staff to increase productivity through various means, (training, rewarding, recognition, promotion). | 61 | 2.92 | 3.00 | 0.60 |
| Human resource strategy | | 3.35 | | 0.50 |

Source: Researcher’s findings

4.7 Innovation Strategy

Table 8: Innovation strategy

| | Frequency | Mean | Mode | St.Deviation |
|---|-----------|-------------|------|--------------|
| We constantly come up with new methods and processes of doing things to increase efficiency. | 61 | 3.20 | 3 | 0.8 |
| We consistently exploit uncontested and unserved markets where there is no competition. | 61 | 2.44 | 2 | 1.2 |
| We constantly introduce new products ahead of competition and we prioritise Rand D. | 61 | 2.59 | 1 | 1.3 |
| An adoption of integrated information system (IS) has enabled us to network with suppliers and other stakeholders to grow our business. | 61 | 3.79 | 3 | 0.8 |
| Innovation strategy | | 3.00 | | 1.03 |

Source: Researcher's findings

The statements shown in table 8 above were used in the questionnaire to assess the innovation strategy adopted by SMEs. The table shows that the average mean score for innovation strategy was 3.00 (to a medium extent), with a standard deviation of 1.03 indicating varied opinions. Adoption of integrated information system (IT), interestingly, had a high mean of 3.79 (to a great extent) with an equally high standard deviation of 0.8, indicating that the respondents agreed on great extent of IT adoption but others also gave contradicting response (small extent or none). On exploitation of uncontested and unserved markets, table 4.9 indicate a mean score of 2.44 (to a small extent), with a very high standard deviation of 1.2 indicating a very high degree of dispersion of respondents perceptions. Nevertheless, the overall average mean indicates that the innovation strategy has been adopted to a medium extent. This outcome conforms to the findings by Anyanga and Nyamita (2016) that the innovation strategy was adopted at a medium extent amongst the SMEs.

4.8 Networking Strategy

The networking strategy was measured using the two statements in Table 9. The average mean score for these two items indicate that the adoption of networking strategy by SMEs was to a great extent since the mean is 4.22 and standard deviation is at 0.60, indicating some heterogeneity amongst the respondents. Both statements, making an effort to create business relationships of strategic significance with other businesses and where networking has helped enterprises to access resources, information, markets and technologies and facilitates the attainment of benefits from economies of scale, learning and scope illustrated the means scores of 4.34 and 4.10 of great extent of adoption, with standard deviations of 0.5 and 0.7 respectively indicating some heterogeneity amongst the respondents. In conclusion, networking strategy was adapted to a greater extent. Pecas and Henriques (2006) alluded that SMEs that belonging to a network gives them a higher chance to grow.

Table 9: Networking strategy

| | Frequency | Mean | Mode | St.Deviation |
|---|-----------|-------------|------|--------------|
| We make an effort to create business relationships of strategic significance with other businesses | 61 | 4.34 | 4.00 | 0.50 |
| Networking has helped us to access resources, information, markets and technologies and facilitates the attainment of benefits from economies of scale, learning and scope. | 61 | 4.10 | 4.00 | 0.70 |
| Networking strategy | | 4.22 | | 0.60 |

Source: Researcher's findings

4.9 Collaboration Strategy

The collaboration strategy was analysed using the two statements included in table 10. The table shows that on average the mean score for collaboration strategy was 3.18 (to a medium extent), with a high standard deviation of 1.05 indicating high heterogeneity of respondents' perception. The mean of 3.11 for working with other organisations in the past to execute a task towards achieving a common goal by sharing ideas and skills, has a very high standard deviation of 1.05, indicating greatly varied opinions among respondents. It can be summarised from results of table 10 that the enterprises adopted collaboration strategy to a medium extent. This is in line with the claim made by Widjajanti, (2015) that collaboration plays a significant role in the growth and survival of SMEs by developing necessary networks and relationships.

Table 10 Collaboration strategy

| | Frequency | Mean | Mode | St.Deviation |
|--|-----------|-------------|------|--------------|
| In the past we worked with other organisations to execute a task towards achieving a common goal by sharing ideas and skills. | 61 | 3.11 | 3.00 | 1.50 |
| Working with other organisations has helped us to develop necessary networks and relationships that have improved our performance through access to resources and information and create new marketing channels. | 61 | 3.25 | 3.00 | 0.60 |
| Collaboration strategy | | 3.18 | | 1.05 |

Source: Researcher's findings

V. CONCLUSIONS AND RECOMMENDATIONS

Based on the findings, the study concluded that SMEs were using different growth strategies in different ways. The networking strategy was the most practised strategy which means most SMEs were leveraging their success on the relationships and connections built with others. This was followed by market penetration, market development, human resource strategy, diversification strategy, product development strategy and so on. The conclusion of this study is similar to that of Anyanga et. al. (2016) except for the rank in terms of strategies used. In the study by Anyanga (2016) market penetration strategy, product

development strategies and innovation strategies were the top strategies adopted by artisan enterprises. Product development strategy was adopted to a medium extent in both studies. Growth strategies that would result in substantial growth like innovation and diversification are least used which explains stagnancy, slow or poor growth. Owners are taking too much risk at times by being not proactive in choosing growth strategies. The SME owners and managers should consider adopting growth strategies like innovation and diversification strategy which are least used that would result in substantial growth. The SME owners and managers should employ growth strategies that are aligned to their vision and mission to experience rapid growth. The SMEs should develop growth strategies that focus on customers such as marketing strategy through engaging customers, prospects and the competition in the market place and market development strategy. The owners should also consider human resource strategy as a key strategy by ensuring customer satisfaction through engaging customer with the staff and constantly train and mentor their staff to ensure that they are equipped with the relevant skills to improve efficiency, to sustain long term growth.

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