Assessment of Challenges Affecting the Sustainability of Small and Medium Enterprises in a Changing Business Environment: A Case of the Tailoring Industry in Kamwala Shopping Centre

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ABSTRACT

Small and Medium-Sized Enterprises (SMEs) play a significant role in economic development through employment creation, poverty reduction, and contributions to national income. Despite their importance, many SMEs in Zambia face challenges that limit their growth and long-term sustainability. This study investigated the factors hindering the sustainability and viability of SMEs in Zambia, focusing on tailoring businesses operating within Kamwala Shopping Centre in Lusaka District. The study adopted a mixed methods research design that combined quantitative and qualitative approaches to provide a comprehensive understanding of the challenges affecting SME growth. Quantitative data were collected using structured questionnaires administered to a randomly selected sample of 100 tailoring SMEs, while qualitative data were gathered through interviews conducted until data saturation was achieved. Quantitative data were analysed using SPSS software, and linear regression analysis was employed to determine the relationship between selected independent variables and SME growth. The findings revealed that financial constraints were the most significant barrier to the growth and sustainability of tailoring SMEs. Limited access to affordable financing restricted business expansion, investment, and operational efficiency. The study also highlighted the importance of entrepreneurial and management skills in enhancing business performance and resilience. Based on the findings, the study recommended that the government introduce policies that encourage lending institutions to provide affordable loans to SMEs while strengthening measures to ensure loan repayment. It also recommended the use of trade schools to offer free management and entrepreneurial training workshops to SME owners. The study concluded that addressing financial and managerial challenges would strengthen the SME sector, promote economic resilience, and improve livelihoods within local communities in Zambia.

Keywords: Small and Medium-Sized Enterprises, Financial Constraints, Sustainability, Entrepreneurial Skills, Business Growth and Viability

INTRODUCTION

The contribution of Small and Medium Size Enterprises (SMEs) to the development of any country cannot be over-emphasized (Abor and Adjasi, 2007). Many countries across the globe rely on SMEs to drive development for their respective economies. In Zambia, SMEs have been believed to be prominent in not only creating employment opportunities for thousands of people, but also increase the tax base for the country. Therefore, the Zambia Chamber of Small Businesses was set up to support and actively promote the growth and development of SMEs in Zambia; by engineering the growth of the small and medium enterprise (SME) sector, the growth objectives of the economy are likely to be achieved. A strong SME sector contributes highly to the economy by contributing to the gross domestic product (GDP), by reducing the level of unemployment, reduction in poverty levels and promotion of entrepreneurship activity (ibid 2007).

However, despite their significant contribution to the growth of nations, SMEs across the globe and in Zambia particularly still face a number of challenges. SMEs globally face many challenges that hinder business growth. Hurdles in the business success are far more than they were previously. The external and internal factors such as legal and entrepreneur skills are more complex and dynamic. The concern to the entrepreneur is what can be done to survive in a competitive market.

As was earlier alluded to, SMEs have the ability of playing a dynamic role in the Zambian economy. Understanding and finding ways to address obstacles that hinder this dynamism would make a realization in terms of ensuring that the drivers of growth are used optimally. This agrees with the assertion by (O'Neill and Viljoen, 2001) that development of entrepreneurship and SMEs is important for addressing many challenges and problems in Zambia.

The 7th National Development Plan specifically acknowledges that Zambia's textile industry has the capacity to contribute significantly to the economic development of the country. Being labor intensive, it has the potential to greatly contribute to employment and wealth creation at all stages of its value chain. According to the industrialization and job creation strategy1, the textile industry is capable of creating 4,100 new jobs in the next five years. Government has since identified the Textile and Garment sub-Sector as one of the priority sectors for Zambia's industrialization and economic development. Zambia's textiles and clothing industry has had an important role to play in the country's development. During the Import Substitution Industrialization (ISI) of the 1960s through to the mid-1980s, Zambia's textiles and clothing industry received substantial government support through an incentive system that favoured the entire manufacturing sector. (The Competition and Consumer Protection Commission, Zambia Textiles Value Chain Study Final Report, 2019).

Textiles and clothing industries in Zambia faces unfair competition on the regional and international markets from other cotton producing countries where production is subsidized rendering their products cheaper on the market due to reduced costs of production (e.g. USA, China, the EU, Central and South East Asia). The Zambian textile industry has faced challenges from foreign competition, leading to factory closures and job losses in the past. Kamwala Shopping Centre being one of Lusaka's oldest markets and a hub for various businesses cannot be neglected as the tailoring industry in Kamwala, Lusaka, has a rich history rooted in the broader Zambian tradition of clothing creation and alteration. Kamwala, as a bustling commercial hub, has long been a center for small-scale businesses, including tailoring, where local artisans and entrepreneurs cater to the diverse clothing needs of the community. The tailoring industry in Kamwala plays a vital role in the local economy, providing employment and contributing to the livelihoods of many families hence the need to conduct a research study on the SMEs and assess their challenges thereby improving their performance for business sustainability.

Research problem

Small businesses are fundamental to Zambia's economy, with World Bank data estimating they account for more than 70 percent of industrial activities and serve as major instruments for poverty reduction and job creation (World Bank, 2010). Despite this critical role, the sector suffers from massive neglect, threatening the livelihoods of thousands who depend on these enterprises. While SMEs in advanced economies like the United States generate up to 50 percent of GDP and in the United Kingdom produce 62 percent of employment (ZCSMBA, 2008), the situation in Zambia remains dire, with an estimated failure rate for start-ups reaching as high as 65 percent over three years compared to less than 50 percent in Europe over five years (ZCSMBA, 2008). SMEs face numerous constraints including lack of access to finance, inadequate infrastructure, limited market information, poor management, and inconsistent policies, as documented by scholars such as Kalyongwe Jones (2019) and Bhoganadam et al (2019). Despite extensive research on SME challenges in Zambia, a significant gap exists in understanding the unique barriers confronting the tailoring industry within Kamwala Shopping Centre of Lusaka District. This sector is pivotal for job creation, local economic development, and fostering diversification, yet the absence of focused research leaves its potential untapped. The aim of this study was therefore to assess the challenges affecting SME sustainability in a changing business environment. The general objective was to assess these challenges, while specific objectives were to identify the challenges hindering SME sustainability, ascertain the most fundamental cause of failure among them, and propose mechanisms to support and sustain SME growth for improved performance.

Significance, objectives and scope of the study

Small and Medium Enterprises are widely acknowledged as vital drivers of economic development in Zambia, contributing substantially to employment creation, income generation, and poverty alleviation. The findings of this research hold considerable significance for multiple stakeholders, including government agencies, non-governmental organizations involved in SME promotion, and business owners themselves. By examining the prevailing management practices and policies, the study provides valuable insights into their appropriateness within the context of an emerging economy. It further identifies the specific challenges confronting micro and small businesses and delineates the types of assistance and strategic interventions required to mitigate these obstacles. Through the identification of these challenges, the study puts forward recommendations aimed at fostering an environment conducive to SME growth, which in turn will contribute to enhanced national GDP and economic expansion through increased production and the creation of employment opportunities. Moreover, the study serves to raise awareness of the measures necessary to address the prevalent lack of business sustainability and to strengthen job security and wealth creation among entrepreneurs. The findings are expected to directly benefit business owners within the tailoring industry, entrepreneurs, and industry stakeholders by equipping them with practical knowledge on best practices, effective management techniques, and resource optimization strategies essential for long-term business sustainability.

The research study focused on the SMEs established in Kamwala Shopping Centre located in Lusaka District of Lusaka Province and involved people conducting business in form of tailoring as a service. Lusaka was selected because it is more convenient and there is a lot of activity with regards to SMEs. The researcher conducted the research using questionnaires which were issued to various SMEs to investigate what problems they faced in the quest of carrying out business and their growth at large. The researcher also examined various journals and publications that were related to the matter of SMEs in Africa and beyond so as to ascertain the view and opinions of the writers. Therefore, the study was only confined to SMEs in Lusaka and not the whole country to gain an insight of the research.

LITERATURE REVIEW

The definition of Small and Medium Enterprises remains contested within academic and policy discourse, presenting a fundamental challenge for researchers attempting cross-country comparisons and sector-specific analyses. Thorsten, Demirguc-Kunt and Levine (2005) observe that indicators such as total assets, labour force size, annual turnover, and capital investments are employed inconsistently across jurisdictions, resulting in enterprises being classified differently depending on national context. This conceptual ambiguity is reinforced by Daniel (2015), who, drawing upon Storey (1994), argues that no single uniformly acceptable definition exists because businesses differ substantially in capitalization, sales, and employment levels. The application of identical size measures across heterogeneous sectors can produce misleading classifications, where all businesses in one sector appear small while the same criteria render another sector predominantly large. Bolton (1971) represents the earliest systematic attempt to resolve this definitional problem through the implementation of dual economic and statistical definitions. The economic definition established three criteria: personalized management by owners or part-owners, a relatively small market share, and self-governing status independent of larger enterprises. The statistical definition served distinct purposes including quantifying the sector's contribution to GDP and employment, tracking changes in economic contribution over time, and enabling cross-country comparisons. O'Regan and Ghobadian (2004) subsequently defined small, micro, and medium-sized enterprises as those employing 250 or fewer employees. For the purposes of this study, the researcher defines an SME as a business entity registered with the registrar of companies that aims to generate profit for sustainability while contributing to national economic growth. This definition deliberately incorporates formality as a criterion, acknowledging the challenges posed by informal enterprises that dominate the Zambian landscape.

The historical evolution of SME financing reveals persistent structural challenges particularly pronounced in developing economies. Lin (2007) provides comparative data indicating that only 12 percent of SME financing in China originates from financial institutions, while Malaysia and Indonesia record 21 percent and 24 percent respectively, patterns that mirror conditions in Sub-Saharan African economies. These statistics underscore the systemic nature of credit constraints rather than isolated market failures. Batra and Tan (2003) and Lee (2001) identify poorly trained workforces and low technological engagement as factors contributing to diminished productivity, suggesting that financial constraints alone do not fully explain SME underperformance but interact with human capital deficiencies. Mambula (2002) conducted a study in Nigeria revealing that 72 percent of entrepreneurs identified lack of financial support as their primary constraint, attributing this to cumbersome loan application procedures and excessive collateral demands. However, this study relied primarily on perceptual data from entrepreneurs without independently verifying the lending criteria or assessing the quality of loan applications, potentially overlooking demand-side deficiencies such as inadequate business planning. Banks counter that most SME loan applicants fail to present acceptable feasibility studies, lack deposit accounts, and demonstrate unwillingness to acquire formal business training. This impasse reflects a deeper principal-agent problem where information asymmetries between lenders and borrowers generate mutual suspicion and market failure.

The contribution of SMEs to economic development has been extensively documented across multiple contexts. The South African Department of Trade and Industry (2003) reports that SMMEs contribute approximately 40 percent of South Africa's GDP and employ more than half the private sector workforce, with an estimated 80 percent of new jobs globally being created by this sector. O'Donnell (2004) reinforces this perspective by highlighting the potential of SMMEs to generate employment and contribute to poverty alleviation and wealth creation. Hashim, Ahmad and Leng (2006) assert that despite the sector's recognized importance, it remains characterized by high failure rates attributable to deficient entrepreneurial and technical skills. However, these studies predominantly adopt macro-level perspectives, aggregating diverse sectors and obscuring the unique challenges confronting specific industries such as tailoring. Kirchgeorg and Winn (2006) estimate the SME sector's contribution at approximately 50 percent of GDP, while the World Bank (2014) has documented how small business support has alleviated poverty in Egypt. The present study addresses the limitations of these broad analyses by combining an examination of both constraints and contributions within a specific industry context, recognizing that despite extensive research on the SME sector in Sub-Saharan Africa, persistent challenges necessitate continued investigation and context-specific solutions.

A critical examination of related research studies reveals methodological strengths and weaknesses that inform the design of the present investigation. Ackah and Vuvor (2011) employed a purely quantitative approach using closed-ended questionnaires administered to SMEs in Ghana, with descriptive statistics serving as the sole analytical technique. While this methodology enabled the identification of collateral requirements and high interest rates as key obstacles, the exclusive reliance on quantitative data precluded deeper exploration of the underlying mechanisms through which these factors operate. The present study addresses this limitation by adopting a mixed-methods design that integrates quantitative surveys with qualitative interviews, enabling triangulation of findings and richer understanding of entrepreneurial experiences. Mwinga et al (2020) conducted a systematic literature review augmented by survey data from the International Trade Centre and the Zambian Ministry of Commerce, Trade and Industry, focusing on COVID-19 impacts on SME operational strategies. Although the study concluded that small businesses suffered more severely than larger enterprises, its reliance on secondary data and literature review methodology limited its capacity to generate primary insights into ongoing challenges beyond the pandemic context.

Kalyongwe Jones (2019) employed a mixed-method approach combining survey questionnaires and focus group discussions across selected Zambian districts, utilizing convenience sampling as a non-probability method and analyzing quantitative data through SPSS. The study identified challenges including lack of capital, entrepreneurial competencies, excessive competition, and fragmented coordination among government agencies. However, the use of convenience sampling introduces selection bias that undermines the generalizability of findings, a limitation the present study addresses through purposive sampling guided by saturation principles, ensuring that participants are selected based on their relevance to the tailoring industry rather than mere accessibility. Bhoganadam et al (2019) examined MSME challenges in India through a systematic literature review, identifying constraints related to finance, infrastructure, information, and marketing skills. The study was explicitly limited to a conceptual framework without empirical testing, representing a significant gap between theoretical identification of challenges and practical validation. The present study bridges this gap by empirically testing identified challenges through primary data collection within a specific industry context.

Stalin Muthuswamy and Castrol Kafweta (2022) adopted a descriptive survey design with a qualitative approach to identify factors affecting financial growth of SMEs in Lusaka's Mutendere East, utilizing surveys, observations, and interviews with government officials and SME managers. While the dual-framework analysis incorporating international policy comparison and critical examination of government roles provided valuable contextual insights, the exclusively qualitative approach limited the statistical generalizability of findings. The current research incorporates quantitative analysis through SPSS, enabling the identification of statistically significant relationships between variables. A.K.M. Hedaitul Islam et al (2020) applied the Fuzzy Delphi Method and fuzzy analytical hierarchy process to prioritize challenges facing footwear SMEs in Bangladesh, representing a methodologically sophisticated approach to challenge ranking. However, the study's narrow focus on a single industry in a specific national context limits its applicability to other sectors and regions, a gap addressed by the present research through its specific yet strategically selected focus on the tailoring industry in Kamwala Shopping Centre.

Thabiso Sthebiso and Msoni and Odunayo Margret Olarewaju (2021) employed a quantitative design within the positivist paradigm, using purposive sampling and questionnaires with Cronbach alpha reliability testing in their study of South African SME financial sustainability. Their recommendation for workshops and training to enhance financial literacy represents a practical policy intervention. However, the study did not incorporate qualitative dimensions that could illuminate how entrepreneurs experience and navigate financial constraints in their daily operations. Alivarez and Jhon Wider (2018) analyzed barriers to SME sustainability through a literature review incorporating both qualitative and quantitative data, identifying 175 barriers classified by sector, sustainability tool, and internal versus external origin. While this comprehensive taxonomy provides a valuable framework for future research, the study did not prioritize barriers by severity or test their relative impact on business outcomes. The present research addresses this by ascertaining which challenge constitutes the most basic cause of failure among identified constraints.

Collectively, these studies exhibit several limitations that inform the present investigation. Methodologically, many rely exclusively on either quantitative or qualitative approaches, missing the complementary insights that mixed-methods designs can provide. Sampling strategies frequently employ convenience methods that compromise representativeness. Thematic focus tends toward generalized SME challenges without sector-specific analysis, while geographic scope remains limited to few selected areas. Furthermore, numerous studies identify challenges without proposing actionable, government-implementable solutions. This study addresses these gaps by adopting a mixed-methods design with rigorous sampling, focusing specifically on the tailoring industry in Kamwala Shopping Centre, an area that despite its economic vibrancy has received insufficient research attention, and by formulating practical recommendations for policy intervention aimed at enhancing SME sustainability and contributing to Zambia's broader economic resilience.

THEORETICAL FRAMEWORK

This study is anchored on three theoretical frameworks that collectively provide a comprehensive lens for understanding the challenges affecting SME sustainability. The Locus of Control Theory, developed by Julian Rotter in 1954, posits that individuals differ in their belief about whether control over outcomes resides internally within themselves or externally with others and situational factors. Entrepreneurs with a high internal locus of control believe their success or failure results from their own choices and actions, making them more motivated, result-oriented, and willing to take responsibility for both achievements and failures. Conversely, those with a high external locus of control perceive outcomes as determined by chance, fate, or powerful external forces beyond their influence, leading to passivity and attribution of success to luck rather than deliberate decisions (Rotter, 1990). This theory is particularly relevant to this study as it illuminates how tailoring entrepreneurs in Kamwala Shopping Centre may respond differently to business challenges depending on whether they perceive themselves as agents capable of overcoming obstacles or as victims of circumstances beyond their control.

The Principal Agency Theory examines the relationship between principals and agents and how this dynamic affects decision-making and outcomes. Applied to the SME context, this theory frames the relationship between SME owners seeking finance and financial institutions as lenders, highlighting how divergent interests and information asymmetries can impact financing terms and conditions. This theoretical lens enables the study to investigate how agency considerations influence the financial choices of tailoring enterprises and how lenders might better align their interests with those of SMEs to foster improved access to finance. The Resource Based View Theory, originating from Wernerfelt (1984) and significantly developed by Barney (1991), emphasizes that organizational resources serve as competitive leverage tools for achieving sustainable competitive advantage and growth. Resources are classified as tangible assets including financial capital, physical equipment, and raw materials, and intangible assets such as human capital, brand reputation, and organizational culture. Barney (1991) established that for resources to generate sustained competitive advantage, they must possess VRIN attributes:

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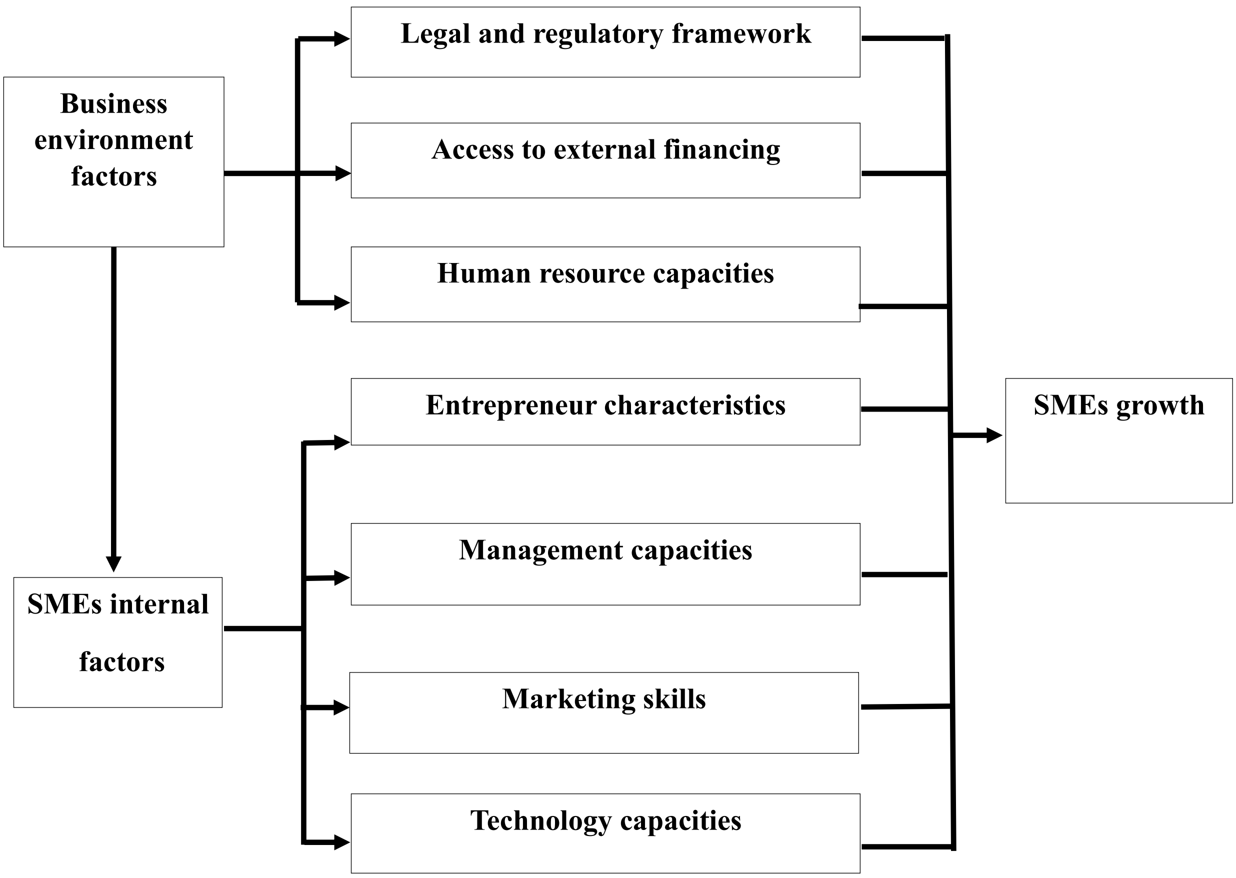
valuable, rare, inimitable, and non-substitutable. Within the tailoring industry, tangible resources such as quality machines and sufficient financial capital, alongside intangible resources including skilled labor and customer loyalty, directly influence business growth potential and long-term viability (Barney, 2001; McGahan, 2021).

Conceptual framework

In this research study, the various factors that adversely affect sustained growth in small and medium-sized enterprises in Kamwala Shopping Centre of Lusaka were analyzed. Based on the literature review and the current research undertaken in the area, the research model presented in Figure 1 below was used to investigate the factors affecting the process of sustained growth of SMEs in Zambia. The figure was initially formulated from the Shanghai University, Shanghai. The Figure illustrates how the concepts in the framework are related.

The external factor (the business environment factors) square includes the "legal and regulatory framework," "access to external financing," and "human resources capacities." The internal factor square represents the "entrepreneur characteristics," "management capacities," "marketing skills," and "firm technological capacities." (Figure 1).

Figure 1. Conceptual framework on factors affecting the growth of SMEs



Based on Figure 1, a conceptual framework for the study was developed and is presented in Figure 2 below. The framework illustrates the relationship between the independent and dependent variables under investigation. The independent variable comprises business environmental factors or challenges, while the dependent variable is the growth and sustainability of Small and Medium Enterprises (SMEs), with particular emphasis on the tailoring industry. The framework assumes that business environmental factors, whether internal or external to the enterprise, influence the growth and sustainability of SMEs. Internal factors may include management practices, entrepreneurial skills, and access to resources, whereas external factors may include access to finance, market conditions, infrastructure, technology, and government policies. These factors can either facilitate or hinder business growth and long-term sustainability. Therefore, the study seeks to examine the extent to which these environmental challenges affect the performance, growth, and sustainability of SMEs operating within the tailoring industry.

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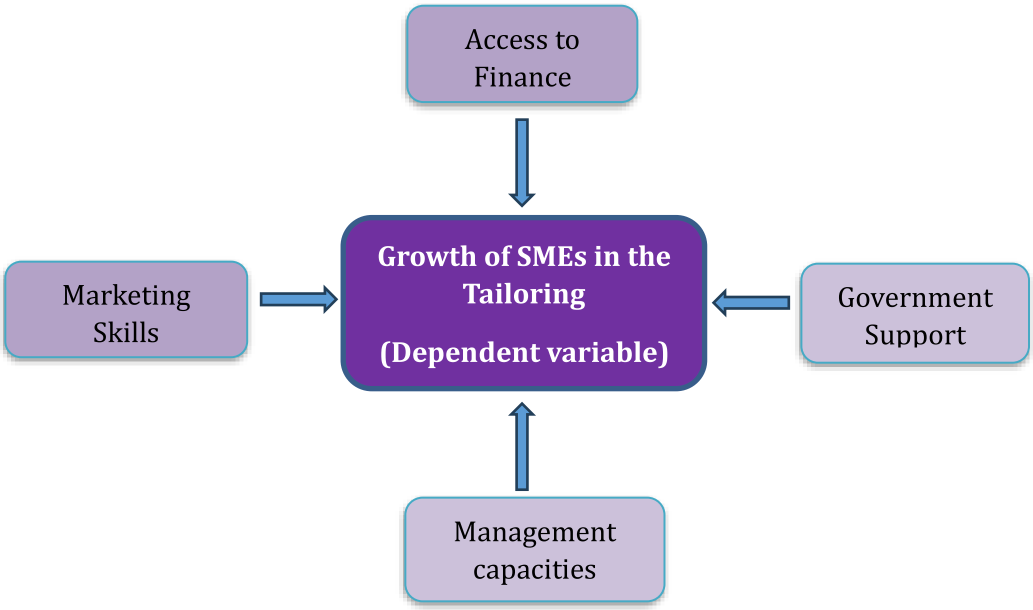
Figure 2. Conceptual Framework on the factors affecting growth of SMEs in the Tailoring Industry



METHODOLOGY

This study adopted a descriptive research design, which was deemed appropriate given its aim to describe specific aspects of the tailoring SME population within Kamwala Shopping Centre. According to Babbie (2005), a descriptive design is well-suited for exploratory investigations of this nature, while Hart (2018) notes that exploratory studies are particularly valuable when a researcher seeks to gain deeper insights into a phenomenon whose precise nature remains unclear. The study was conducted in Kamwala Shopping Centre within Lusaka, a location selected due to the high concentration of SMEs engaged in tailoring activities and its central accessibility. The target population comprised owners of tailoring SMEs operating within this commercial hub. A sample size of 100 small business owners was determined using the Yamane (1967) and Slovin (1960) formula, calculated from a population size of 135 at a significance level of 0.05. This sample was considered manageable, cost-effective, and suitable given the available time and resources, aligning with Cooper and Schindler's (2006) assertion that cost considerations influence decisions regarding sample size and data collection methods.

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

Where:
n is the sample size,
N is the population size, and
e level of precision (sampling error, usually 0.05 for 95% confidence level)

The study employed purposive or judgmental sampling; a non-probability technique based on the researcher's judgment regarding the characteristics of a representative sample. This approach was chosen because the research focused specifically on tailoring enterprises to obtain informed perspectives on factors affecting sustained growth in Kamwala Shopping Centre. Purposive sampling was further justified by the highly qualitative nature of the study, consistent with Patton's (2002) emphasis, as cited by Saunders, Lewis and Thornhill (2007), that validity in qualitative research depends more on data collection and analytical skills than on sample size. Primary data were collected through semi-structured questionnaires and oral interviews, with the dual purpose of meeting the study's objectives and bridging gaps that secondary data could not address. The combination of open-ended and closed-ended questions enabled respondents to express themselves freely while also providing structured responses for quantitative analysis. A pre-test of the data collection instrument was conducted to verify its effectiveness prior to full administration. Secondary data were gathered from textbooks,

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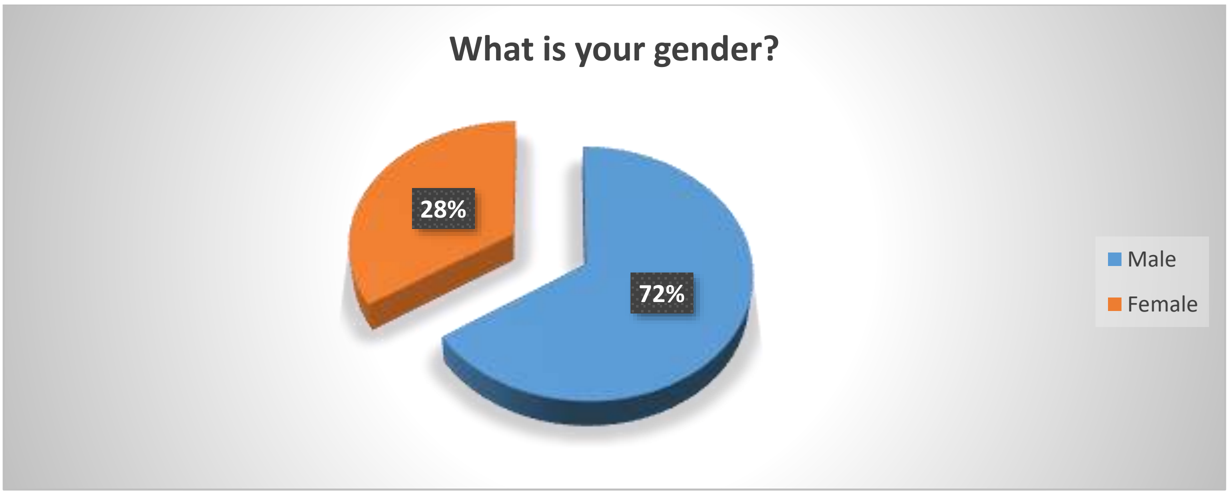
journals, published reports, and internet sources to provide background context on the challenges affecting SME sustainability in Lusaka. Data collection was approximated to occur within a 90-day timeline, with semi-structured guides facilitating in-depth and comprehensive responses while reducing bias and enhancing accuracy, as noted by Kinray and Warier (1993). For data analysis, the study utilized the Statistical Package for Social Sciences (SPSS) version 20.0 alongside Microsoft Excel for coding and analysis of categorized and quantified data. These software programmes were selected for their capacity to process data efficiently and generate detailed outputs including percentages, graphs, and tables. Multiple regression analysis was considered to determine the overall fit of the model and the relative contribution of each predictor variable to the total variance explained, thereby enabling the identification of statistically significant relationships between the identified challenges and SME sustainability outcomes.

RESULTS

Demographic analysis

Of the 70 valid respondents, 72 percent were male and 28 percent were female, indicating that tailoring entrepreneurship in Kamwala Shopping Centre is predominantly male-dominated. This gender disparity may have implications for understanding differential access to resources and entrepreneurial opportunities.

Figure 3. Gender of respondents



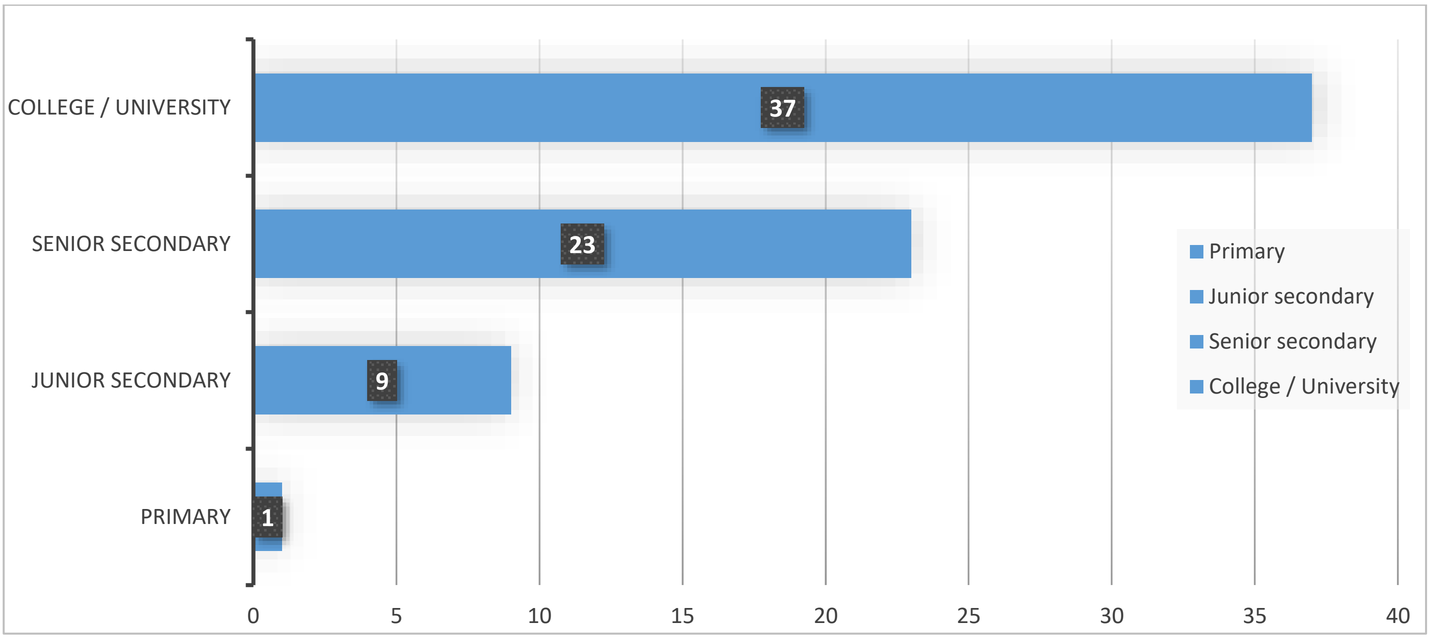
Regarding age, the modal group was 35 to 39 years, accounting for 35 percent of respondents, suggesting that mid-career adults constitute the most active segment of tailoring entrepreneurs in this setting. Respondents aged above 50 years represented 25.3 percent of the sample, reflecting a substantial presence of experienced, long-established entrepreneurs. The youngest cohort, aged 24 years and below, represented only 3.3 percent of respondents, suggesting limited entry by younger individuals into tailoring entrepreneurship (Table 1).

Table 1. Age group of the respondents

Age group	Frequency	Percent
20 – 24	3	3.3
25 – 29	11	16.7
30 – 34	4	4.7
35 – 39	21	35.0
40 – 44	10	10.3
45 – 49	4	4.7
Above 50	17	25.3
Total	**70**	**100.0**

In terms of educational attainment, 53 percent of respondents held college or university qualifications, 33 percent had completed senior secondary education, 13 percent had attained junior secondary education, and 1 percent held primary education as their highest qualification. The relatively high level of formal education suggests that entrepreneurs possess a foundational capacity for business management, though as subsequent findings reveal, this does not automatically translate into the specialised entrepreneurial competencies required for sustained business performance.

Figure 4. Levels of Education



Business Characteristics

Table 2 summarises the key characteristics of the businesses surveyed. The majority of SMEs were formally registered (80.3%), had operated for ten or more years (54.3%), employed between one and four workers (60.0%), and generated annual turnover between ZMW 50,000 and ZMW 90,000 (57.1%). These figures indicate that most businesses in the sample are small, long-established enterprises with modest employment and revenue levels, though 15.7 percent reported annual turnover exceeding ZMW 210,000.

Table 2. Summary of Business Characteristics

Variable	Category	Frequency (n)	Percentage (%)
Business Registration Status	Registered	56	80.30
	Not Registered	14	19.70
Years in Existence	Below 1 Year	1	1.40
	1–4 Years	12	17.10
	5–9 Years	19	27.10
	10 Years and Above	38	54.30
Number of Employees	None	5	7.10
	1–4 Employees	42	60.00
	5–9 Employees	12	17.10
	10–14 Employees	3	4.30
	15–19 Employees	3	4.30
	20 Employees and Above	5	7.10
Annual Turnover	Below ZMW 50,000	10	14.30
	ZMW 50,000–90,000	40	57.10
	ZMW 90,000–130,000	6	8.60
	ZMW 130,000–170,000	2	2.90
	ZMW 170,000–210,000	1	1.40
	Above ZMW 210,000	11	15.70

Perceived measure of business success

Table 3 presents descriptive statistics for perceived business growth indicators. The overall pattern reveals widespread dissatisfaction. Respondents recorded low mean scores for satisfaction with income growth (mean = 2.07), satisfaction with the rate of growth (mean = 2.19), and the ability to generate emergency savings (mean = 2.13). Possession of sufficient capital for technology acquisition yielded a mean of 2.67, reflecting continued financial strain. In contrast, the statement that respondents did not need additional resources for expansion produced a mean of 3.59, indicating that most entrepreneurs strongly acknowledged the need for further resources. Collectively, these results suggest that the majority of tailoring SMEs perceive their businesses as growing inadequately, with financial constraints as a pervasive limiting factor.

Table 3. Business growth

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Satisfied with the growth of income	70	2.07	0.89	1.255	0.287	1.715	0.566
Satisfied with payback period	70	2.26	0.829	0.741	0.287	1.018	0.566
Satisfied with the rate of growth	70	2.19	0.786	1.133	0.287	1.213	0.566
Don't need extra resources for expansion	70	3.59	1.056	-0.992	0.287	0.038	0.566
Able to generate sufficient savings for emergencies	70	2.13	0.7	1.381	0.287	2.6	0.566
Have sufficient capital for new technology acquisition & expansion	70	2.67	0.88	0.704	0.287	-1.347	0.566
Valid N (listwise)	70						

Government support

Table 4 presents respondents' perceptions of government support across five indicators. Mean scores ranged from 3.14 to 3.59, clustering around the neutral midpoint of the scale. Respondents were neither strongly satisfied nor strongly dissatisfied with overall government support (mean = 3.56), ease of obtaining business permits (mean = 3.14), provision of relevant business information (mean = 3.46), the favourability of the tax system (mean = 3.56), or the extent to which SME policies are tailored to their sector (mean = 3.59). These neutral responses suggest that government support is perceived as present in principle but insufficiently targeted and accessible in practice.

Table 4. Government Support

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Government support is satisfactory	70	3.56	1.223	-0.356	0.287	-1.192	0.566
Business permits are easily acquired	70	3.14	1.277	0.369	0.287	-1.503	0.566
Government provides information relevant to my business	70	3.46	1.188	-0.109	0.287	-1.347	0.566

The tax system is favourable for the business to strive	70	3.56	1.137	-0.328	0.287	-1.114	0.566
Government policies on SMEs are tailored to my specific sector	70	3.59	1.056	-0.308	0.287	-0.807	0.566
Valid N (listwise)	70						

Financial Literacy

Table 5 presents findings on financial literacy. Most respondents disagreed that they had received sufficient training in financial literacy (mean = 2.53) and recorded a very low mean of 2.04 when asked whether they understood the capital required for business growth, indicating a significant gap in this area. Perceptions regarding access to financial literacy resources were more neutral (mean = 3.09), and the ability to hire financially skilled labour produced a mean of 3.01. Overall, these findings confirm that financial literacy constitutes a meaningful challenge for tailoring entrepreneurs, with training adequacy and capital comprehension being the most acute deficiencies.

Table 5. Financial Literacy

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Received sufficient training in financial literacy	70	2.53	1.176	0.177	0.287	-1.51	0.566
It is easy to access financial literacy	70	3.09	0.959	-0.277	0.287	-1.215	0.566
Understand the amount of capital needed for business growth	70	2.04	0.788	1.568	0.287	3.651	0.566
Able to hire qualified labour in financial literacy	70	3.01	1.056	-0.029	0.287	-1.242	0.566
Valid N (listwise)	70						

Micro Finance Opportunities

Table 6 presents findings on microfinance awareness and accessibility. Respondents were generally aware of institutions that provide financial credit (mean = 1.59), indicating familiarity with the lending landscape. However, views on loan accessibility were mixed (mean = 3.36), and conditions attached to credit produced a neutral mean of 3.17. The flexibility of lending institutions also recorded a neutral mean of 3.21. Notably, the loan accessibility variable exhibited extreme variability (standard deviation = 2.582, kurtosis = 39.978), which is attributable to the influence of outliers in the data. This pattern suggests that while awareness of financing institutions is relatively high, accessing loans on acceptable terms remains a practical challenge for many tailoring entrepreneurs.

Table 6. Micro Finance Opportunities

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Awareness of institutions that provide financial credit	70	1.59	0.691	1.308	0.287	2.467	0.566
Loan are easily accessible	70	3.36	2.582	5.477	0.287	39.978	0.566

There are no challenges with conditions attached to accessing credit	70	3.17	1.179	-0.452	0.287	-0.82	0.566
Lending institutions are flexible enough to access their services	70	3.21	1.178	-0.376	0.287	-0.774	0.566
Valid N (listwise)	70						

Entrepreneurship and Technical Skills

Table 7 presents findings on entrepreneurship and technical skills. The most notable result is the very low mean of 1.50 for the attainment of relevant skills and expertise to run the business, indicating strong disagreement among respondents. Similarly low scores were recorded for finding new and better ways to operate (mean = 2.10) and for improved communication with customers and suppliers (mean = 1.97). More moderate scores were obtained for hiring skilled labour (mean = 2.73), the need for technology (mean = 2.63), and acquisition of marketing skills (mean = 2.47). Collectively, these findings confirm that tailoring entrepreneurs face substantial deficiencies in both foundational and advanced entrepreneurial competencies, which directly affect business performance and growth.

Table 7. Entrepreneurship and Technical Skills

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Attained relevant skills & expertise to run the business	70	1.5	0.7566	1.757	0.287	3.203	0.566
Hire skilled labour to run the business	70	2.73	1.048	0.261	0.287	-0.976	0.566
Find new & better ways to run the business	70	2.1	0.542	1.2	0.287	3.923	0.566
Improved communication with customers & suppliers lead to growth	70	1.97	0.538	1.124	0.287	5.427	0.566
Technology is needed to run the business	70	2.63	1.038	0.246	0.287	-1.004	0.566
Acquired various marketing skills & platform are needed in running the business	70	2.47	1.003	0.347	0.287	-1.001	0.566
Valid N (listwise)	70						

Market Research

Table 8 presents findings on market research practices. Respondents recorded neutral mean scores for conducting market research to understand business growth (mean = 3.06) and for making decisions based on market research findings (mean = 2.97), suggesting limited and inconsistent engagement with market information. The variable measuring whether respondents read about market research findings exhibited extreme variability (standard deviation = 2.866, kurtosis = 48.891), reflecting the presence of outliers and warranting cautious interpretation. On balance, these results suggest that market research is not consistently practised or applied by tailoring entrepreneurs in Kamwala, limiting their ability to make well-informed strategic decisions.

Table 8. Market Research

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Read about market research findings concerning the business	70	3.3	2.866	6.428	0.287	48.891	0.566
Conduct market research to understand how best to grow the business	70	3.06	1.128	0.01	0.287	-1.356	0.566
Make decisions based on the market research	70	2.97	1.167	0.17	0.287	-1.296	0.566
Valid N (listwise)	70						

Competitive Intensity

Table 9 presents findings on competitive intensity. Respondents strongly agreed that many people operate the same type of business in the same location (mean = 4.06), confirming high competitive pressure within Kamwala Shopping Centre. They also rated their business location as relatively strategic for growth (mean = 3.80) and expressed moderate confidence in differentiating their service delivery from competitors (mean = 3.59). The negative skewness values across all three indicators confirm that responses clustered toward agreement, reinforcing the view that competition is a significant environmental challenge for tailoring SMEs.

Table 9. Competitive intensity

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Many people doing the same business as mine in the same location	70	4.06	0.931	-1.337	0.287	1.739	0.566
The location is strategic to the growth of my business	70	3.8	0.942	-0.977	0.287	0.591	0.566
Differentiate business service delivery from competitors	70	3.59	0.825	-1.318	0.287	1.717	0.566
Valid N (listwise)	70						

DISCUSSION

The findings of this study both align with and extend existing empirical literature on SME challenges. The demographic profile, characterised by 72 percent male predominance, is consistent with broader SME ownership patterns in Sub-Saharan Africa, where male entrepreneurs tend to dominate formalised business sectors. The relatively high level of formal education, with 53 percent holding post-secondary qualifications, departs from Batra and Tan's (2003) general characterisation of developing-country workforces as poorly trained. However, the findings on financial literacy and entrepreneurial skills demonstrate that formal education does not automatically translate into the specialised competencies required for business sustainability. This supports Hashim, Ahmad and Leng's (2006) contention that high SME failure rates are attributable to deficient entrepreneurial and technical skills irrespective of educational attainment.

The widespread dissatisfaction with business growth indicators, particularly with income growth (mean = 2.07) and emergency savings generation (mean = 2.13), corroborates Mambula's (2002) finding that a majority of entrepreneurs in Nigeria identified lack of financial support as their primary constraint. The strong acknowledgement of the need for additional resources (mean = 3.59) aligns with Kalyongwe's (2019) identification of capital deficiency as a critical challenge facing Zambian SMEs. The low mean score of 2.04 for understanding capital requirements further resonates with the recommendation of Sthebiso, Msoni and Olarewaju (2021) that financial literacy workshops be organised to help entrepreneurs meet loan criteria from financial institutions.

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The neutral to slightly negative perceptions of government support, with means ranging from 3.14 to 3.59, reflect the implementation gaps identified by Kalyongwe (2019), who observed weak and fragmented coordination among government agencies responsible for SME development. This finding also supports Ackah and Vuvor (2011), who noted that SMEs face structural barriers including stringent collateral requirements despite the existence of willing lending institutions. The high competitive intensity, evidenced by a mean of 4.06 for the presence of many competitors in the same location, aligns with Bhoganadam et al.'s (2019) identification of competitive pressure and marketing skill deficiencies as significant SME challenges. Taken together, these findings confirm the persistent and structural nature of challenges confronting SMEs across different sectors and national contexts, while contributing new sector-specific evidence from Zambia's tailoring industry.

CONCLUSION

This study assessed the challenges affecting the sustainability of tailoring SMEs in Kamwala Shopping Centre, Lusaka. The findings confirm that these enterprises face a multifaceted range of constraints that significantly hinder growth and long-term viability. Financial inadequacy emerged as the most fundamental barrier, manifesting through limited access to credit, stringent collateral requirements imposed by lending institutions, and high interest rates that render borrowing prohibitive. This financial challenge is compounded by deficiencies in entrepreneurial and technical skills, as most respondents acknowledged a lack of relevant expertise to run their businesses effectively. Poor management capabilities, limited technological adoption, and insufficient financial literacy further undermine the capacity of tailoring enterprises to achieve sustainable growth. While government support mechanisms exist, they suffer from implementation gaps that render them largely inaccessible to the enterprises they are designed to assist.

Based on these findings, several recommendations are proposed. The government should introduce deliberate policies that provide incentives to lending institutions offering loans at reduced interest rates to SMEs, while implementing appropriate measures to encourage responsible loan repayment. Trade schools across the country should be used to deliver free workshops equipping entrepreneurs with essential management and entrepreneurial skills. Regulatory reforms should create SME-friendly frameworks in areas including investment, taxation, trade, and licensing. Business registration processes should be simplified, loan access facilitated, and marketing support structures established to assist small businesses. Fair competition should be promoted through equitable access to investment funds and appropriate protection of local products. If implemented in a coordinated manner, these interventions hold strong potential to enhance SME sustainability, contribute to Zambia's economic development, and improve the livelihoods of entrepreneurs and their communities.

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