



## Assessing the factors that inhibits the growth of smes in zambia (a case of restaurants in lusaka cbd- zambia)

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### Abstract

This study delves into the various factors that inhibit the growth of small and medium-sized enterprises (SMEs), with a specific emphasis on restaurants operating within Lusaka's Central Business District (CBD). To achieve a comprehensive understanding of these challenges, the study adopted a mixed-methods research design, integrating both quantitative and qualitative data collection and analysis techniques. Quantitative data were collected through structured surveys administered to a randomly selected sample of 211 restaurant SMEs. This sizable sample ensures that the findings are statistically reliable and reflective of broader trends within the industry. In parallel, qualitative data were obtained through purposive sampling, guided by the saturation principal interviews continued until no new themes emerged. Data analysis was conducted using SPSS software for the quantitative component, allowing for the identification of patterns and correlations between variables. Thematic analysis was employed for the qualitative responses, enabling the extraction of recurring themes and deeper insights into the contextual and experiential dimensions of SME growth challenges. The findings of the study point to financial constraints as the most significant barrier to SME growth. Among the financial issues identified, lack of access to financing, high interest rates, and rigid collateral requirements stood out as major impediments. Notably, the quantitative analysis revealed a strong negative correlation between lack of financing and business growth, with a correlation coefficient of -0.927. This statistically significant result indicates that as access to financing decreases, the potential for business expansion and sustainability diminishes sharply. These findings align with existing literature on SME development in developing economies, where financial exclusion remains a pervasive issue. The consistency of the study's results with global and regional trends underscores the systemic nature of these financial barriers.

**Keywords:** Growth, SMEs, collateral, lack of financing and cost of capital

### Introduction

Small and Medium Enterprises (SMEs) play a critical role in fostering economic growth, Particularly in developing economies such as Zambia. According to Masaka (2022)<sup>[14]</sup>. Small-scale industries are defined as businesses that fall below a specific revenue threshold set by the parameters of the economy. Despite their size, SMEs are essential drivers of economic development, As they contribute significantly to job creation, Poverty reduction, And the overall growth of Gross Domestic Product (GDP). In Zambia, SMEs, Especially in urban centers like Lusaka, Are seen as crucial to alleviating unemployment and improving the living standards of both urban and rural populations. These enterprises not only provide employment opportunities but also stimulate local economies by offering goods and services that cater to the needs of the local population. Small and medium-sized enterprises (SMEs) are characterized by their small scale in terms of revenue, assets, And the number of employees they maintain. According to Liberto (2020), The classification of a business as an MSME depends on the economic and legal parameters set by individual countries or groups of countries, With each country having a unique definition. The role of SMEs in economic development cannot be overstated. MSMEs represent the backbone of many economies worldwide, Contributing significantly to employment especially in developing nations where these enterprises account for approximately 45% of total employment and around 33% of GDP, As reported by the Organization for Economic Co-operation and Development (OECD). The MSME sector is often considered the

heartbeat of an economy, Particularly in developing countries, Where it fosters entrepreneurship, Drives innovation, And provides the majority of jobs.

The significance of MSMEs lies not only in their ability to generate employment but also in their potential to drive innovation, Contribute to exports, And support economic diversification. In Zambia, The restaurant industry in Lusaka's Central Business District (CBD) is one such example of how SMEs can contribute to the economy. These restaurants, Often run by small entrepreneurs, Not only provide employment to many individuals but also serve as key players in the tourism and hospitality industry, Which is vital to Zambia's economic landscape. However, despite their importance, many SMEs, particularly in Lusaka's CBD, Face significant challenges that hinder their growth and sustainability. These challenges range from limited access to finance, Inadequate infrastructure, High operational costs, To regulatory constraints, All of which have a detrimental effect on their capacity to thrive.

The role of the government and other stakeholders is crucial in creating an enabling environment for SMEs to flourish. Without addressing the obstacles that hinder their growth, The potential of these businesses to contribute to Zambia's economic growth may remain untapped. Identifying and mitigating the factors that inhibit the growth of SMEs, Particularly restaurants in Lusaka CBD, Is crucial for fostering a vibrant and sustainable small business sector. By addressing these challenges, Zambia can unlock the full potential of its MSMEs, Enabling them to contribute more effectively to the country's Economic development.

## Background

Zambia is a developing country with an economy that has long depended on two primary sectors: Copper mining and agriculture. For decades, these industries have formed the backbone of the Zambian economy, providing significant revenue and employment opportunities. However, despite this reliance on copper and agriculture, the nation has faced persistent challenges in reducing unemployment rates, which have remained high and have contributed to economic instability and social issues.

According to Chilemba (2021)<sup>[6]</sup>, small and medium-sized enterprises (SMEs) play a crucial role in Zambia's economic landscape. These businesses represent a staggering 70 percent of the Gross Domestic Product (GDP), underscoring their importance in driving economic growth. Furthermore, SMEs account for 88 percent of employment in the country, highlighting their vital role in providing jobs and livelihoods for a large portion of the population. Additionally, SMEs contribute an impressive 97 percent of all businesses in Zambia, indicating their significant presence and influence in the economy.

Despite their importance, small and medium-sized enterprises (SMEs) often encounter a myriad of challenges that hinder their growth and sustainability. These challenges include limited access to financing, inadequate infrastructure, and regulatory hurdles (Pedraza, 2021)<sup>[20]</sup>. Access to financing remains a significant barrier; many SMEs struggle to secure the necessary capital for start-up and expansion due to stringent lending criteria imposed by banks and financial institutions. This lack of financial support can stifle innovation and limit the ability of SMEs to invest in essential resources, ultimately affecting their competitiveness in the market (Metu A G and Nwokoye E S, 2014; Graduate School of Business: The University of Zambia *et al.*, 2023)<sup>[10]</sup>.

Inadequate infrastructure is another critical issue that SMEs face. Poor transportation networks, unreliable electricity supply, and insufficient internet connectivity can severely restrict business operations, making it difficult for these enterprises to function efficiently and meet consumer demands. The lack of modern infrastructure not only increases operational costs but also deters potential investors and customers, further isolating SMEs from growth opportunities (Masaka, 2022b).

Regulatory hurdles also play a significant role in inhibiting SME development. Complex licensing processes, high compliance costs, and an overall lack of support from government institutions can create an environment where entrepreneurship is not encouraged. Simplifying these regulations and providing a supportive regulatory framework is essential to facilitate the ease of doing business and to nurture entrepreneurial spirit among potential SME owners.

Addressing these issues is vital for fostering a more vibrant entrepreneurial ecosystem in Zambia. A thriving SME sector can lead to increased job creation, which is particularly crucial in a country where unemployment rates remain high. By empowering SMEs, Zambia can promote economic diversification beyond traditional sectors such as copper mining and agriculture. This diversification is essential for building a resilient economy capable of withstanding global economic fluctuations and local challenges.

Moreover, enhancing the growth potential of SMEs can stimulate innovation, as these enterprises are often more

agile and willing to adapt to market changes compared to larger corporations. This innovation can result in the development of new products and services, further contributing to economic growth and stability (Chowa, Kaira and Muchoka, 2020)<sup>[7]</sup>.

It is against this background that this study is conducted to analyse the factors that inhibit the growth of SMEs in Zambia (A case of Restaurants in Lusaka CBD)

## Statement of The Problem

Despite the numerous benefits that SMEs contribute to the growth of the economy, most of the SMEs in Lusaka are still in the informal sector. This informal status significantly impedes their ability to grow into larger businesses, as they face numerous challenges. According to Aurick *et al.* (2017)<sup>[3]</sup>, many SMEs in Zambia grapple with difficulties such as high interest rates on borrowing, the requirement for collateral, and stiff competition from larger, more established companies. Additionally, the World Bank (2023) reports that about 60% of SMEs in Zambia lack sufficient capital to operate effectively. This funding gap presents a significant barrier to their growth and sustainability, restricting their ability to invest in expansion, technology, and workforce development.

Without adequate access to funding, SMEs may face considerable obstacles in scaling their operations, thus perpetuating stagnation within the economy. According to Pedraza (2021)<sup>[21]</sup>, such constraints prevent SMEs from creating new job opportunities and increasing productivity, exacerbating unemployment rates and contributing to an over-reliance on dominant sectors such as mining. These financial barriers, coupled with other operational challenges, create a vicious cycle that stifles innovation and growth potential in the sector.

Research on SME growth challenges has been extensive in Zambia, but there remains a gap in understanding the unique barriers faced by SMEs within the restaurant sector in Lusaka's Central Business District (CBD). While studies have examined broad SME issues, specific insights into the operational, financial, and structural challenges of restaurants in urban settings like Lusaka are limited. This lack of sector-specific research inhibits targeted interventions and policy development that could better support this critical sub-segment of the SME landscape. The absence of research focused on the specific needs of the restaurant industry in Lusaka creates an important gap in the literature, as this sector is pivotal for job creation, local economic development, and fostering diversification away from traditional industries like mining.

Addressing this gap is crucial, as it would provide a more nuanced understanding of the barriers to expansion, leading to more tailored and effective policy recommendations. Failure to conduct such studies could result in continued missed opportunities for economic growth and diversification. Without addressing the needs of SMEs in Lusaka's restaurant sector, the economic potential of this vibrant part of the city remains untapped, hindering both local development and national economic resilience.

By examining the challenges faced by restaurants in Lusaka's CBD, this study will identify the root causes that inhibit their growth and sustainability. This understanding is vital for developing targeted interventions that can enhance the viability of SMEs in the region. Furthermore, the research will provide stakeholders including policymakers, business owners, and support organizations with valuable

insights into creating a more conducive environment for the growth of SMEs in Zambia. Ignoring this issue would risk perpetuating a cycle of economic stagnation, hindering job creation, and maintaining an over-dependence on a few key sectors.

### 1. Objectives of the research

Research Objectives:

- a. To assess the current factors affecting the growth of SMEs in restaurant businesses in Zambia.
- b. To determine the challenges that SMEs face in the restaurant business in Zambia.
- c. To identify effective strategies for SMEs in the restaurant sector to establish and sustain long-term, profitable businesses.

### 2. Significance of the study

The significance of this study lies in its potential to provide valuable insights into the challenges and opportunities faced by SMEs in the restaurant sector in Lusaka. By identifying effective strategies for establishing and sustaining long-term, profitable businesses, the research will contribute to the development of practical solutions for overcoming barriers such as limited access to financing, high operational costs, and competition from larger businesses. This study will be crucial for policymakers, as it will inform the creation of targeted interventions that support the growth of SMEs in the restaurant sector, fostering economic diversification and job creation.

Furthermore, the findings will benefit business owners, entrepreneurs, and industry stakeholders by equipping them with knowledge on best practices, management techniques, and resource optimization strategies to enhance business sustainability. Ultimately, this study will contribute to the broader goal of strengthening the SME sector in Zambia, promoting economic resilience, and improving the livelihoods of individuals in the local community.

### Literature Review

A theoretical framework is a structured system of concepts, theories, and assumptions that provides a foundation for conducting research and interpreting findings. It serves as a guide for the research process, helping to establish the key variables, their relationships, and the theoretical perspectives from which the study will approach the research problem.

#### 1. The Resource-Based View (RBV)

Is a prominent strategic management theory that focuses on how organizations leverage their unique resources to achieve and sustain a competitive advantage. The RBV suggests that a firm's internal resources both tangible and intangible are key drivers of its success and long-term viability. These resources are seen as critical assets that can be utilized to outperform competitors and achieve superior performance in the marketplace (Barney, 2001).

In the context of Small and Medium Enterprises (SMEs) such as restaurants, the RBV emphasizes how access to and the effective management of these resources directly influence the business's growth potential. Tangible resources may include financial capital, physical assets (e.g., restaurant space, equipment), and raw materials required to operate the business. For restaurants in particular, access to sufficient financial capital allows for investment in quality

ingredients, restaurant facilities, marketing efforts, and expanding capacity, all of which can drive growth. In contrast, intangible resources include human capital, brand reputation, customer loyalty, and organizational culture. Skilled labor, such as experienced chefs and efficient service staff, is a critical intangible resource for restaurants. Highly trained employees contribute to the quality of food, customer service, and operational efficiency, all of which enhance a restaurant's ability to attract and retain customers.

#### 2. Empirical literature

##### Small and Medium Enterprises

According to (Mahesha Kulupparachchi, 2018)<sup>[13]</sup>, SMEs, or small and medium-sized enterprises, are defined differently around the world. The country a company operates in provides the specifics on the defined size of an SME. The sizing or categorization of a company as an SME, depending on the country, can be based on a number of characteristics. The traits include annual sales number of employees, the number of assets owned by the company, market capitalization, or any combination of these features. Many technological processes and innovations are attributed to small and mid-size enterprises (SMEs). Since large enterprises tend to focus on improving the old products to produce more quantities and obtain general benefits of dimensional economy, such companies are not as flexible as SMEs (Williams and Ramdani, 2018)<sup>[23]</sup>.

In order to be successful, SMEs focus on creating new products or services; hence, they are capable of adapting faster to the changing requirements of the market. SMEs play a vital role in shaping a country's economy. They can be considered an attractive and huge innovative system. Due to the socially and economically beneficial effects of the SMEs, the sector is considered an area of strategic interest in an economy (Obuda University, Doctoral School for Safety and Security Sciences *et al.*, 2023)<sup>[18]</sup>.

According to (Aurick *et al.*, 2017)<sup>[4]</sup>, Small and Medium Enterprises (SMEs) are defined as non-subsidiary, independent firms which employ less than a given number of employees. This number varies between countries, with the most frequent upper limit being 250 employees, as in the European Union. However, some countries set the limit at 200 employees, while the United States uses 500 employees. Small firms are generally those with fewer than 50 employees, while micro-enterprises have at most ten, or in some cases five workers. In Zambia SMEs are categorized by having 50 or less employees.

The approximately 400 million SMEs are the backbone of economies around the world. They are the main source of job creation globally, accounting for over 95% of firms and 60%-70% of employment. SMEs generate a large share of new jobs in OECD economies, and even more in the European Union where they represent approximately 99% of all businesses, create around 85% of new jobs and provide two-thirds of the total private sector employment. Similarly, in the Global South, growth in overall employment is generally connected to the development of SMEs.

Considered key to ensuring economic growth, innovation, job creation, and social integration, not least thanks to their close relations with employees, the local community, business partners, for example, they also make an integral part of global supply chains, both as buyers and suppliers (Ashmawy, 2019)<sup>[2]</sup>. The (Ashmawy, 2019)<sup>[3]</sup> estimates that

globally there are roughly 9.34 formal million women-owned SMEs in over 140 assessed countries and also notes that the credit gap for formal women-owned SMEs across all regions is roughly \$2872 billion, which is 30 percent of the total credit gap for SMEs.

### **The challenges that Small and Medium Enterprises face Global Perspective**

The challenges that SMEs face in this section reflects the global literature reviewed. According to the study conducted in Philippines on the challenges that face SMEs (Gamundoy, Bucal and Em, 2020)<sup>[8]</sup>, with regard to the challenges of SMEs in terms of access to finance, the business-owner respondents gave their points of views that the highest weighted mean achieved of 2.76, which was verbally interpreted as agree falls under the indicator which states that "Funds are available, but SMEs find this difficult to access because of stringent and voluminous requirements as well as the slow processing time for their loan applications." On the other side, the least weighted mean attained of 2.06 with a verbal interpretation of agree states the indicator that "SMEs in several regions do not have the capacity for financial management." Therefore, the over-all weighted mean result is 2.38, which was verbally interpreted as agree. This signifies that although there are available funds to support their business, they find it hard to comply with all of the requirements in the loan application. The study also highlighted that SMEs mismanagement of finances is another reason why most financial institution are a hesitant to finance SMEs businesses are as they categorize them to be riskier due to unavailability of credit rating. According to Hayes, Chawla and Kathawala, (2015)<sup>[11]</sup>, in the research conducted in the USA, the study reveals that, a small business owner plays a crucial role in a complex web of interrelated factors that include access to money, sufficient human resources, political relations, organizational structure, and strategic planning. Though there are some significant distinctions, the problems that affect small business development in Mexico and the United States are mostly similar. The factor structure of the problem areas as viewed by Mexican and American entrepreneurs differed significantly, according to the study. As they establish businesses in these nations, small business owners, business advisors, and government facilitators may find this information useful.

(Elmansy, 2015) posits that, the main challenges SMEs face is high competition from well-established companies with the capacity it lower prices due to economies of scale as they are capable of producing high volumes at lower costs as opposed.

According Chittithaworn *et al.*, (2011) the Micro, Small and Medium Enterprises is said to be the anchor of economic activities in the Malaysian government. The government is at the centre of fostering an entrepreneurial spirit within its economy. It has since been trying to transform SMEs into large businesses by providing an environment which gives them easy access to finance and flexible payment systems to give them a breathing space in their area of operations.

Chittithaworn *et al.*, (2011) indicated that, in accordance with the census statistics on the establishments and enterprises which was conducted in 2005 by the department of statistics in Malaysia indicated that entrepreneurs in the service sector accounts for 86.5% and they contribute 27.3% of the total manufacturing output, 25.8% to the value added

production, they own 27.6% of the fixed assets and employ the workforce with 38.9% of the total employment levels in country and hence, reducing the levels of unemployment and poverty eradication in Malaysia.

### **Continental Perspective**

The continental aspect of factors inhibiting SMEs growth highlights lack of financing and taxation as key hindrances. According to the study conducted in Nigeria, by (Agwu, 2014)<sup>[1]</sup>, the results from the data analysis indicated that poor financing, inadequate social infrastructures, lack of managerial skills and multiple taxation were major challenges confronting SMEs in Port-Harcourt City, thus recommended: provision of soft loans to SMEs operators, government guaranteeing of long-term loans to SMEs operators, establishment of SMEs funding agency, public/private sector partnership in infrastructural provision, capacity building for SMEs operators and provision of tax incentives for SMEs operators.

On the African continent, micro, small, and medium-sized businesses have encountered a variety of difficulties. Small enterprises have not grown because of their difficulties, which include low profitability and sluggish expansion. Each country defines small to medium-sized enterprises (SMEs) differently. Certain nations classify people according to their capital, while others base it on the number of employees (Okpara, 2011)<sup>[19]</sup>.

In another study in Ghana, by Thompson Agyapong, Mmieh and Mordi, (2018)<sup>[22]</sup>, posits that, several factors, including level of education, poor energy supply, access to external finance, competition, inflation and government policies influence the growth of SMEs in Ghana. The study recommends that sustained energy supply, review of lending and borrowing regulations, favourable fiscal policies, measures to combat unhealthy competition, provision of adequate training centres to equip entrepreneurs, and regulation on land acquisition should be government's priority to ensure consistent growth of SMEs in Ghana.

### **Sub Region**

Studies in the sub-region constitutes countries in the same region with Zambia which is the SADC region. According to Njanike, (2020)<sup>[17]</sup>, Africa's economy depends heavily on small and medium-sized businesses (SMEs), which also play a major role in overall development, the creation of jobs, and the fight against poverty. These small and medium-sized enterprises (SMEs) have several challenges, such as insufficient digital infrastructure, limited market accessibility, and restricted access to technology and financial data. This article addresses various scaling-up obstacles and considers potential remedies to help address them.

According (Njanike, 2020)<sup>[18]</sup>, Education level was found significant at 1% level. This shows that the more one is educated the better the management and profitability of business in Zimbabwe. Someone educated is expected to have a better appreciation of business concepts hence better profits. A number of studies have shown that education level contributes positively to profitability of a business.

According to a study in south Africa by (Mbonyane and Ladzani, 2011)<sup>[15]</sup>, the slow growth rate can be attributed partly to the lack of support that small, medium and micro-enterprises receive from support institutions, and partly to their own internal weaknesses. The findings

furthermore revealed that the most common causes impeding business growth are a lack of legal knowledge, a lack of funding and a general lack of business acumen.

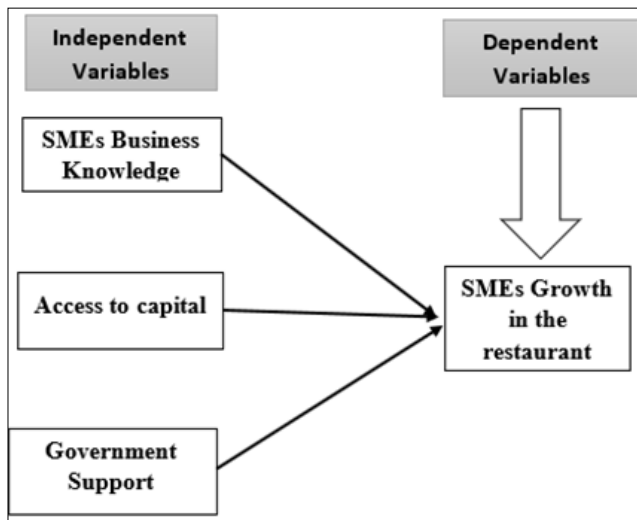
**National level**

According to Chilembo, (2021)<sup>[7]</sup>, there is a positive relationship between interest rates ( $r = 0.202$ ) and credit rejection ( $r = 0.727$ ) when there are no collateral assets. Given the difficulties with traditional sources of funding, the study suggests that SMEs employ creative and realistic alternative sources of funding in light of the study's findings. Since crowd fundraising can take many different forms, it has been advised. More specifically, SMEs can make use of a type of crowd finance known as "Village Banking." In order for SMEs to achieve economies of scale and to reach a critical mass for their activities, the report also suggests group cooperation among them. Along with the aforementioned, SMEs are urged to enhance their ability to maintain financial records, including cash flows and income statements, in order to draw in possible funding sources like angel and/or venture capital investors.

Masaka, (2022)<sup>[15]</sup> Identify that small and medium enterprises (SMEs) face the challenges of accessing credit facilities from financial and non-financial institutions in Lusaka province of Zambia. Despite the roles played by Small-and-medium enterprises (SMEs) in the economy such as supply of goods and services, employment creation and a source of income for the central government and thousands of people around the country. The study identifies that both at the national or provincial level, the majority of SMEs encounter difficulties obtaining financial support from financial institutions, including banks, microfinance and other lending institutions. He advised that further research is needed to identify the obstacles and determine ways to address them so that all SMEs can benefit equally from financial services.

**Conceptual framework**

The conceptual framework was driven by the factors that inhibits the growth of SMEs in the restaurant businesses. A conceptual framework is an analytical tool with several variations and contexts. It can be applied in different categories of work where an overall picture is needed. It is used to make conceptual distinctions and organize ideas. Strong conceptual frameworks capture something real and do things in a way that is easy to remember and apply (Creswell, 2014).



Source: Author

**Research Methodology**

**Research Design**

The study employed a descriptive research design, which was selected for its ability to provide a detailed and accurate representation of the factors inhibiting the growth of SMEs, particularly within the restaurant sector in Lusaka's Central Business District (CBD). Descriptive research design is commonly used in studies that aim to explore and gain an understanding of the characteristics of a particular population, situation, or phenomenon. According to Creswell (2014), descriptive research is an exploratory research method that allows researchers to precisely and systematically describe a population, condition, or phenomenon without necessarily manipulating the environment or variables under study.

In this context, the descriptive design was particularly useful because it allowed the researcher to focus on gathering comprehensive data related to the challenges faced by SMEs. By using this method, the study aimed to explore the existing conditions of the restaurant industry in Lusaka CBD, identifying the various factors that hinder its growth, such as financial constraints, regulatory barriers, and infrastructural challenges. Descriptive research is often used to depict what is happening in a given scenario, and in this case, it enabled the researcher to capture a snapshot of the current state of SMEs in the restaurant sector, as well as the contextual factors that influence their performance.

The design provided the flexibility to gather both quantitative and qualitative data, allowing for a nuanced understanding of the issues at hand. Through surveys, interviews, and observations, the study was able to describe the experiences of restaurant owners and other stakeholders within the SME sector. This method was also effective in identifying patterns, trends, and relationships that existed within the data, providing insights into the underlying causes of the challenges faced by SMEs.

By adopting a descriptive approach, the study aimed to generate a rich and in-depth understanding of the factors affecting SME growth, thus contributing valuable knowledge to both academic literature and policy development in Zambia. This research design helped to establish a clear foundation for the study's findings and conclusions, ensuring that the insights derived were based on a comprehensive analysis of the current state of SMEs in the Lusaka CBD restaurant industry.

**Research approach**

The research approach for this study was a mixed methodology, combining both qualitative and quantitative research techniques to provide a comprehensive understanding of the challenges and strategies faced by SMEs in the restaurant sector in Lusaka's Central Business District (CBD). The use of a mixed methodology allows for the collection of both numerical data and in-depth, contextual insights, enabling a richer analysis of the factors influencing the establishment and sustainability of restaurant businesses (Creswell & Plano Clark, 2018; Johnson & Onwuegbuzie, 2004). This approach is particularly beneficial in capturing both the statistical trends and the personal experiences of restaurant owners, thus providing a holistic view of the issues at hand.

**Research philosophy**

The study adopted a pragmatic research philosophy, which emphasizes practical solutions to real-world problems

(Creswell & Plano Clark, 2018). Pragmatism allows for the flexibility to use multiple methods and data sources, prioritizing the research problem and the potential for actionable outcomes over strict adherence to one particular methodological tradition. This philosophy is particularly suitable for addressing complex, multifaceted issues like those faced by SMEs in the restaurant sector, as it seeks to find the most effective and practical ways to support the growth and sustainability of businesses (Tashakkori & Teddlie, 2010). By combining qualitative and quantitative data, the study aims to capture both the statistical trends and the nuanced experiences of restaurant owners, managers, and other stakeholders in Lusaka's CBD. This approach is expected to yield a comprehensive understanding of the current business landscape, allowing for the development of targeted, practical recommendations that are grounded in both empirical evidence and the lived experiences of the restaurant sector.

### Population of the Study

Population is the entire aggregation of items from which samples can be drawn for a study (Opoku, 2009). The population targeted for this study consists of SMEs who in the restaurant business in Lusaka. Three markets are targeted which are COMESA, Lusaka City Centre market and Kamwala.

### Sample Size and Sampling Technique

The target population for the study was estimated to be drawn from the total of 445 restaurants operating within the Central Business District (CBD) of Lusaka. This figure was derived from data collected across three key markets within the CBD: the COMESA Market, which had 108 restaurants; Kamwala Market, with 122 restaurants; and Town Centre, which accounted for 215 restaurants. The data regarding the number of restaurants in each of these markets was obtained from market masters, who were officials from the Lusaka City Council. These market masters provided accurate records of the businesses operating in their respective markets, which formed the basis for identifying the target population.

To ensure a representative sample, a random sampling technique was employed. The sample size was calculated using the Taro Yamane formula, which is widely used in research to determine the appropriate sample size when the population size is known. The formula was applied with a 95% confidence level and a margin of error set at 5% ( $e = 0.05$ ). This statistical approach was designed to ensure that the sample was both statistically valid and sufficiently reliable to represent the broader population of restaurants in the CBD.

Based on the calculation, 211 respondents were selected from the study population to participate in the research. These participants were chosen randomly from the various markets within the CBD to ensure that the sample was diverse and reflective of the overall population of restaurants. This approach helped to gather a wide range of perspectives and insights regarding the factors inhibiting the growth of SMEs in the restaurant industry within Lusaka's Central Business District. By selecting a random sample of 211 respondents, the study aimed to capture a comprehensive understanding of the challenges faced by restaurant owners, operators, and other relevant stakeholders in the area.

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{445}{1 + (445)(0.05)^2} = 210.65 \text{ which is } 211 \text{ respondents.}$$

In addition to the random sampling method, the researcher also employed a purposive sampling technique to select 20 employees from the Ministry of Small and Medium Enterprises Development in Lusaka. This sampling method was chosen to specifically target individuals with relevant expertise and knowledge about the challenges faced by SMEs, particularly in the restaurant business. These 20 respondents were selected based on their positions within the ministry, which involved a level of involvement in the development and regulation of small and medium-sized enterprises in Zambia. The purpose of selecting this particular group was to gather in-depth insights into the factors that inhibit the growth of SMEs in the restaurant sector.

The selected respondents were interviewed using semi-structured interviews, which allowed for flexibility while ensuring that key topics and questions relevant to the study's objectives were addressed. Semi-structured interviews provided the researcher with an opportunity to ask open-ended questions, enabling the respondents to express their views and experiences in greater detail. This method also allowed for follow-up questions and the exploration of issues that arose during the course of the interviews, providing richer, more nuanced data.

Through these interviews with employees from the Ministry of Small and Medium Enterprises Development, the researcher aimed to obtain a deeper understanding of the broader challenges affecting the restaurant industry in Lusaka CBD, including policy-related issues, regulatory constraints, and the support (or lack thereof) available to SMEs. The insights gained from these interviews were intended to complement the data collected from restaurant owners and operators, offering a more comprehensive view of the factors influencing the growth of SMEs in the restaurant sector.

### Data Collection Methods

This study made use of data obtained from both primary and secondary sources to ensure a comprehensive analysis of the factors inhibiting the growth of SMEs, particularly within the restaurant sector in Lusaka CBD. By combining both types of data, the research was able to triangulate findings and provide a more well-rounded understanding of the issues at hand.

Primary data was collected directly from the target population, including restaurant owners and employees in Lusaka CBD, as well as officials from the Ministry of Small and Medium Enterprises Development. The primary data collection methods included semi-structured questionnaires, which were designed to gather both quantitative and qualitative data. These questionnaires were carefully crafted to explore the specific challenges faced by SMEs, such as financial constraints, regulatory barriers, access to resources, and operational difficulties. The use of semi-structured questionnaires allowed for flexibility in the responses, enabling the participants to elaborate on their experiences and perceptions of the factors hindering the growth of their businesses. This approach also allowed the

researcher to probe deeper into emerging themes or concerns raised during the data collection process.

In addition to primary data, secondary data was also collected to supplement and support the findings from the primary sources. Secondary data was gathered from various articles, research papers, academic journals, and reports that focused on the challenges faced by SMEs, particularly in developing economies. These sources provided valuable insights into the broader context of SME development, highlighting common barriers that affect businesses in similar settings. The secondary data also helped to establish a theoretical framework for the study, drawing on existing research to inform the analysis and discussion of the findings.

By utilizing both primary and secondary data sources, the study was able to provide a more robust and detailed analysis of the factors that inhibit the growth of SMEs in Lusaka's restaurant sector. The combination of firsthand accounts from business owners and employees, along with established knowledge from the literature, ensured that the research was grounded in both practical realities and theoretical perspectives. This mixed-methods approach contributed to the depth and validity of the study's conclusions, offering a comprehensive understanding of the challenges faced by SMEs in Zambia.

### **Instruments for Data Collection**

The data collection instrument used in this study, serving as the primary tool for gathering, recording, and measuring data, was a set of carefully designed questionnaires. These questionnaires were chosen because they provide a structured method for collecting both quantitative and qualitative data, which is essential for addressing the research questions related to the factors inhibiting the growth of SMEs, specifically within the restaurant sector in Lusaka's Central Business District (CBD).

The questionnaires were administered to two key groups within the restaurant sector: restaurant owners and their employees. The aim was to gain a comprehensive understanding of the challenges they face as they attempt to grow their businesses into larger, more sustainable operations. Restaurant owners were targeted as the primary decision-makers who could provide insights into the broader operational and strategic obstacles they encounter, such as financial limitations, regulatory constraints, access to resources, market competition, and the broader economic environment.

On the other hand, employees were included to capture a different perspective, focusing on the day-to-day challenges within the workplace. Employees were able to provide valuable insights into issues such as job security, training opportunities, work conditions, and how these factors may affect the overall growth and development of the business. By collecting data from both owners and employees, the study aimed to explore the challenges from both an operational and organizational viewpoint, ensuring a well-rounded understanding of the factors that hinder SME growth.

The questionnaires were designed to be semi-structured, allowing for both closed and open-ended questions. Closed-ended questions were included to gather quantifiable data, such as demographic information, the size of the business, and specific operational challenges. Open-ended questions were used to encourage more detailed responses and allow

participants to express their thoughts and experiences freely. This combination of question types helped to ensure that the data collected was both specific and rich in detail, providing a nuanced understanding of the factors that inhibit business growth.

To enhance the validity and reliability of the data, the questionnaires were pre-tested on a small sample of restaurant owners and employees to ensure clarity and appropriateness of the questions. After making any necessary adjustments based on the feedback received during the pre-test, the finalized questionnaires were distributed to the full sample of participants.

In summary, the use of questionnaires as the primary data collection instrument in this study allowed the researcher to gather detailed, structured information directly from those involved in the restaurant business. By obtaining responses from both restaurant owners and employees, the study aimed to identify and analyze the specific barriers they face as they attempt to scale their businesses, ultimately contributing to a deeper understanding of the challenges inhibiting SME growth in the restaurant sector.

### **Questionnaire**

Creswell (2014) defines a questionnaire as a carefully written set of questions about a subject that has given to a carefully selected sample of human beings. The questionnaire was designed in two parts: the first part being the identification of respondents in terms of demographic, the second part targeted factors that inhibits the growth of SMEs in the restaurant business in Zambia.

### **Data Analysis**

After the data collection process, the researcher made efforts to edit the data collected to ensure consistency and accuracy in the responses. This step was crucial to identifying any discrepancies or errors in the data, such as incomplete or contradictory answers, and rectifying them before proceeding with the analysis. The researcher reviewed the responses carefully to ensure that they aligned with the research questions and objectives, and any necessary adjustments or clarifications were made.

In terms of data analysis, various statistical tools were employed to simplify, organize, and make the data interpretable and understandable. For the quantitative data, the researcher used the Statistical Package for the Social Sciences (SPSS) software, a widely used tool for analyzing numerical data. SPSS enabled the researcher to perform a variety of statistical analyses, including frequency distributions, cross-tabulations, and regression analyses, to identify patterns, correlations, and trends in the data. This helped in quantifying the responses, particularly from the closed-ended questions in the questionnaires, and provided a solid foundation for drawing conclusions about the challenges faced by SMEs in the restaurant sector.

For the qualitative data, thematic analysis was employed to identify, analyze, and report patterns or themes within the responses. Thematic analysis allowed the researcher to systematically categorize the open-ended responses from the questionnaires and interview transcripts into meaningful themes. By doing so, the researcher was able to gain a deeper understanding of the participants' perceptions and experiences regarding the factors inhibiting the growth of restaurants and SMEs in general. Thematic analysis provided a more flexible and detailed approach to

understanding the complexities of the issues raised by the respondents.

Overall, the data analysis process was designed to ensure that both the quantitative and qualitative data were thoroughly examined and interpreted in a way that would yield valid, reliable, and meaningful insights. The combination of SPSS for statistical analysis and thematic analysis for qualitative data allowed the researcher to gain a comprehensive understanding of the challenges faced by restaurant owners and employees in Lusaka CBD, providing a well-rounded approach to answering the research questions and fulfilling the study's objectives.

### Ethical Consideration

The study was conducted with careful consideration of ethical principles to ensure that the rights and well-being of all participants were respected throughout the research process. Before engaging with any respondents, the researcher first informed them about the purpose and objectives of the study, as well as the content of the questionnaires that would be administered. This initial explanation ensured that participants were fully aware of the nature of the study and the type of information they would be providing.

After explaining the purpose of the study, the researcher assured respondents that their participation would remain anonymous and that any information they provided would be kept confidential. This assurance was crucial in fostering trust and encouraging honest and open responses from participants. The researcher emphasized that their personal details would not be linked to any data collected, and the results would only be used for research purposes.

Regardless of the data collection techniques employed, the researcher adhered to several key ethical principles. Ethics, in this context, refer to the standards of what is considered right and wrong in a professional research setting. The researcher was committed to ensuring that no harm was caused to any participant, and that the privacy of the participants was respected at all times. For instance, the researcher refrained from asking questions that could be invasive or intrusive to the participants' personal lives. Any queries that went beyond the scope of the study or the access agreed upon were avoided, thus protecting the privacy of the individuals involved.

Another fundamental ethical principle upheld by the researcher was objectivity. Throughout the data collection and analysis phases, the researcher remained neutral and unbiased, ensuring that the research process was conducted in an objective manner. This helped to ensure that the findings of the study were based on the participants' experiences and perspectives, rather than any personal opinions or prejudices held by the researcher.

Confidentiality and anonymity were central to the research process, and the researcher took steps to ensure these principles were maintained, particularly when gaining access to organizations and individual participants. To facilitate this, an introductory letter was obtained from the institution, which outlined the intentions of the study and explained the researcher's objectives. This letter served as an official document that assured participants and organizations that the study was legitimate and would be conducted ethically.

Moreover, the researcher took great care to properly cite and reference all materials and works referred to throughout the study. By doing so, the researcher protected intellectual

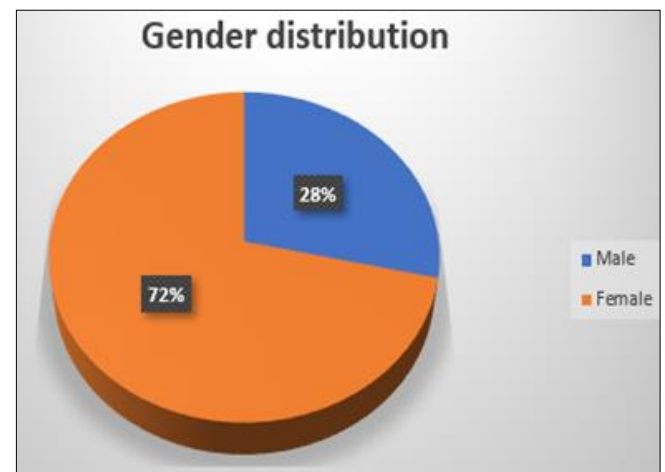
property rights and ensured that all sources of information were properly acknowledged. This practice of proper citation also helped maintain academic integrity and allowed others to trace the sources of information used in the study.

In summary, the study was conducted with a strong commitment to ethical considerations, ensuring that participants' rights were respected and their privacy protected. By adhering to these ethical principles, the researcher was able to conduct a rigorous, fair, and transparent study while upholding the highest standards of academic integrity.

## Results

### Demographic Information

The SPSS output presented in the table above offers a comprehensive breakdown of the gender distribution within a sample of 200 participants. According to the data, 143 participants (71.5%) are female, while 57 participants (28.5%) are male. This distribution clearly indicates a gender imbalance, with females representing a significantly larger proportion of the sample compared to males. Such a disparity in gender representation could have important implications for the interpretation of the study's findings, particularly when analyzing how gender may influence the factors being investigated.



### Age Analysis

The 20 - 30 age group represents 21.0% of the sample, indicating that a significant portion of restaurant business owners or managers in Lusaka's CBD are young entrepreneurs. This suggests that the restaurant sector attracts a relatively large number of individuals who may bring innovative ideas and modern approaches to the industry. These younger entrepreneurs are likely to be more adaptable to trends, technologies, and new ways of conducting business.

The 31 - 40 age group comprises 20.5% of the sample. This age range typically reflects individuals with some years of professional experience and may represent entrepreneurs who have gained a degree of expertise in managing their restaurants. Business owners in this group may be in a phase where they are refining their operations, expanding their customer base, or looking for opportunities to grow their businesses further.

The largest group, accounting for 41.0% of the respondents, is in the 41 - 50 age range. This indicates that the majority of restaurant business owners in Lusaka's CBD are middle-

aged and likely to have a wealth of experience in the industry. Entrepreneurs in this group may have already established their businesses and are more focused on maintaining their market position, ensuring long-term sustainability, and possibly navigating challenges related to competition, financing, and regulatory compliance.

The 51 years and above age group represents 17.5% of the sample, a smaller portion compared to the younger and middle-aged groups. This demographic may include older entrepreneurs who have had long-standing experience in the restaurant sector. While they may face challenges in adapting to new technologies or business practices, their extensive industry knowledge and experience may allow them to maintain stable operations over time.

The findings suggest that the restaurant sector in Lusaka's CBD is characterized by a mix of youthful energy and experience. The diversity in age groups is indicative of different entrepreneurial approaches and business challenges. Younger entrepreneurs may focus on innovation and embracing modern technologies, while older entrepreneurs may emphasize traditional business practices and stability. The largest proportion of restaurant owners in the 41 - 50 age range suggests that these businesses may be the most established and profitable, with a focus on sustainability and expansion.

**Educational Analysis**

The SPSS output of the results for SMEs in Lusaka CBD restaurants reveals a comprehensive distribution of educational levels among the participants. The sample reflects a diverse range of educational backgrounds, which is crucial for understanding the socio-economic profile of individuals involved in the restaurant sector within this region. Among the participants, the largest group comprises individuals who have completed Secondary education, representing 31.5% of the sample. This indicates that a significant proportion of those involved in the sector have attained a foundational level of education, which may influence their ability to manage or operate businesses effectively.

Following this, 27.0% of participants possess Certificate qualifications, suggesting that a notable portion of the sample has pursued post-secondary education, though at a level lower than a diploma or degree. This highlights a relatively high educational attainment compared to those with only primary schooling, underscoring the importance of skill acquisition and vocational training in the restaurant industry. The presence of this group indicates that many restaurant employees or owners may have acquired specific technical or professional skills relevant to the industry.

The next group consists of Diploma holders, who make up 21.0% of the sample. This level of education typically reflects more specialized knowledge and technical expertise, which could be valuable for those managing or owning SMEs in the restaurant sector. Lastly, 20.5% of the participants reported having completed only Primary education, marking the lowest educational attainment within the sample. While this group is smaller, it remains important to recognize, as it may represent individuals with limited

access to further educational opportunities or those engaged in more basic roles within the restaurant industry.

Overall, the educational distribution indicates that the restaurant sector in Lusaka's Central Business District (CBD) is predominantly composed of individuals with at least secondary education, with a considerable proportion possessing qualifications that enhance their professional capabilities. This suggests that the workforce in Lusaka's restaurant SMEs may be relatively skilled and educated, potentially leading to better business management and operational standards. However, the relatively smaller proportion of individuals with only primary education also points to challenges in providing accessible education and skills development opportunities for all individuals in the sector.



**Inferential Statistics**

**Correlations**

		SMEs Growth	Lack of financing
SMEs Growth	Pearson Correlation	1	-.927**
	Sig. (2-tailed)		.000
	N	200	200
Lack of financing	Pearson Correlation	-.927**	1
	Sig. (2-tailed)	.000	
	N	200	200

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

		SMEs Growth	High interest rates
SMEs Growth	Pearson Correlation	1	-.856**
	Sig. (2-tailed)		.000
	N	200	200
High interest rates	Pearson Correlation	-.856**	1
	Sig. (2-tailed)	.000	
	N	200	200

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

Correlations			
		SMEs Growth	Lack of collateral
SMEs Growth	Pearson Correlation	1	-.857**
	Sig. (2-tailed)		.000
	N	200	200
Lack of collateral	Pearson Correlation	-.857**	1
	Sig. (2-tailed)	.000	
	N	200	200

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

**Discussion of The Results**

The results of the correlations between SMEs growth and various financial challenges, including lack of financing, high interest rates, and lack of collateral, highlight significant barriers to the growth and sustainability of small and medium enterprises in Lusaka. These findings are in alignment with existing literature, which consistently emphasizes the critical role that access to finance plays in the development of SMEs, both in developing and developed economies. A well-established body of research underscores that SMEs face particular challenges when it comes to accessing financing, which can significantly hamper their growth prospects. These financial constraints are particularly pressing in developing countries like Zambia, where SMEs represent a key driver of economic development, job creation, and poverty reduction.

The strong negative correlation of -0.927 between SMEs growth and lack of financing suggests that limited access to funding is one of the most significant factors stifling the expansion of SMEs in Lusaka. This finding is consistent with Ayyagari et al. (2007), who argue that financing constraints are among the most substantial impediments to SME development in developing economies. Without access to affordable and sufficient capital, SMEs are constrained in their ability to expand operations, invest in innovation, and even sustain day-to-day operations. This can lead to stagnation or even failure, particularly in highly competitive markets. Kinyanjui (2017)<sup>[12]</sup> further supports this by noting that limited access to formal financial instruments, alongside restricted access to credit, hinders the ability of SMEs to adjust to evolving market conditions. These financial limitations create a cycle where the inability to scale prevents SMEs from becoming more competitive and responsive to consumer demand, which ultimately limits their potential for sustainable growth. As such, addressing the financing gap is pivotal to ensuring the long-term success of SMEs in the region.

Similarly, the correlation of -0.856 between SMEs growth and high interest rates underscores the adverse effects of expensive financing on SME growth. High interest rates increase the cost of borrowing, thereby reducing SMEs' capacity to invest in crucial growth areas such as infrastructure, technological advancements, marketing, and employee training. This finding aligns with the work of Beck et al. (2008), who observed that high interest rates constitute a significant deterrent for SMEs attempting to expand in developing economies. They found that elevated

borrowing costs increase the risk for entrepreneurs and discourage investment, as high repayment burdens leave little room for innovation or expansion. In the context of Zambia, high interest rates compound existing financial constraints and create an environment in which SMEs are unlikely to succeed in scaling their businesses. The ability to access affordable financing is vital for SMEs to achieve competitive advantages and stay relevant in an increasingly globalized economy.

The negative correlation of -0.857 between SMEs growth and lack of collateral further highlights a critical challenge faced by many SMEs. A lack of collateral prevents them from securing the necessary financing to grow their businesses. Stiglitz and Weiss (1981) emphasize that collateral plays a crucial role in mitigating lender risk, as it serves as a safety net for financial institutions in case of default. Without sufficient collateral, many SMEs are left without access to credit, making it difficult for them to fund operations or make strategic investments in their business. In Zambia, where many SMEs are often operated by informal entrepreneurs with limited assets, this issue is especially pronounced. The challenge of offering collateral is exacerbated by the fact that many entrepreneurs lack tangible assets, such as real estate or machinery, to secure loans. This limitation leaves them vulnerable to financial exclusion, further entrenching their inability to grow. Stiglitz and Weiss's (1981) theory about collateral and credit markets underscores the systematic nature of this problem, pointing out that lenders often use collateral as a key requirement, which marginalizes many SMEs from accessing the funds they need to thrive.

The statistical significance of these correlations (p-value of 0.000, which is well below the 0.01 threshold) further solidifies the argument that these financial challenges significantly impact SME growth. The consistency and strength of these relationships indicate that the barriers related to financing, high interest rates, and collateral are not merely theoretical constructs but are substantial, real-world obstacles to the growth and success of SMEs in Lusaka's Central Business District (CBD). These findings underscore the need for targeted interventions and policy initiatives that can address the financial barriers SMEs face, ensuring that these businesses have the necessary resources to grow and compete.

In conclusion, these results emphasize the urgent need for comprehensive interventions to address the financial challenges that impede SME growth in Lusaka. Policymakers, financial institutions, and development agencies should collaborate to create a more supportive financial environment that facilitates SME access to affordable credit and reduces the barriers posed by collateral requirements. One possible solution could be the introduction of microfinance schemes or financial products tailored to the unique needs of SMEs, such as unsecured loans or lower-interest financing. Additionally, policies aimed at lowering interest rates or offering government-backed loan guarantees could help alleviate the financial burdens that SMEs face. These interventions would allow SMEs to invest in critical growth areas, such as expanding operations, adopting new technologies, and enhancing their workforce capabilities. By addressing these financial challenges, Zambia's SMEs, particularly in the restaurant industry, could unlock significant growth potential and

contribute more effectively to the country's economic development. A more conducive financial environment would help SMEs overcome the barriers to growth, foster entrepreneurship, create jobs, and ultimately contribute to the broader economic resilience of the region.

### Conclusions

The results of this study clearly demonstrate that key financial barriers, including lack of financing, high interest rates, and lack of collateral, significantly inhibit the growth of SMEs, particularly in the restaurant sector in Lusaka CBD. The strong negative correlations found between these factors and SME growth highlight the critical role that access to financial resources plays in the success and expansion of small businesses. The lack of financing, high interest rates, and difficulties in securing collateral are substantial challenges that limit the ability of SMEs to scale, innovate, and compete effectively in the market.

Given the statistical significance of these findings, it is evident that addressing these financial constraints is essential for fostering a more conducive environment for SME growth in Zambia. Policymakers and financial institutions must prioritize improving access to affordable financing, lowering interest rates, and developing financial products that do not rely heavily on collateral. By tackling these challenges, it is likely that SMEs in Lusaka and beyond will experience more sustainable growth, contributing to economic development, job creation, and poverty reduction.

In conclusion, these results underscore the urgent need for comprehensive reforms in the financial landscape for SMEs. Such reforms could create opportunities for growth, especially in sectors like the restaurant industry, which holds significant potential for economic contribution. Addressing these financial barriers will be a crucial step towards unlocking the growth potential of SMEs in Zambia.

### Recommendations

Based on the findings of this study, the following recommendations are made to address the financial challenges inhibiting the growth of SMEs, particularly in the restaurant sector in Lusaka CBD:

**Improve Access to Financing:** Policymakers and financial institutions should work together to develop more accessible financing options for SMEs. This could include the creation of specialized loan products with favorable terms, such as lower interest rates and extended repayment periods. In addition, microfinance institutions and development banks should increase their focus on providing loans to SMEs, especially in the hospitality sector, where capital requirements are often high.

**Reduce Interest Rates:** High interest rates are a significant barrier to the growth of SMEs. The government and financial institutions should consider policies aimed at lowering interest rates for SMEs, especially for those in critical sectors like restaurants. This could involve introducing subsidized loan programs or offering preferential interest rates to SMEs that meet specific growth or job creation targets. This would reduce the financial burden on SMEs, making it easier for them to invest in expansion and development.

**Develop Alternative Financing Mechanisms:** Given the challenges SMEs face in providing collateral, alternative financing methods such as venture capital, angel investors, or crowdfunding platforms should be promoted. Creating platforms that connect SMEs with potential investors could provide much-needed capital without the need for traditional collateral. Additionally, government-backed guarantees could help mitigate the risks associated with lending to SMEs, thereby encouraging financial institutions to lend to businesses that would otherwise be excluded.

**Establish Collateral-Free Loan Schemes:** Financial institutions and government agencies should explore the possibility of creating collateral-free loan schemes targeted specifically at SMEs in the restaurant sector. These schemes could involve innovative methods for assessing the creditworthiness of businesses, such as looking at cash flow, business plans, or track records of successful operations, rather than requiring physical assets as collateral.

**Enhance Financial Literacy:** Many SMEs struggle not only with access to financing but also with managing their finances effectively. Financial literacy programs should be implemented to help business owners better understand financial products, manage cash flow, and make informed decisions about borrowing and investing. This would enable SMEs to utilize available financial resources more efficiently and improve their long-term sustainability.

**Government Support and Policy Reforms:** The government should consider introducing policies that support the growth of SMEs, such as tax incentives for businesses that invest in expansion or job creation. Additionally, policy reforms aimed at reducing bureaucratic red tape and making the process of accessing loans simpler and faster would help SMEs overcome some of the operational hurdles they face when seeking financial assistance.

**Strengthen SME Networks and Mentorship Programs:** It is important to create a network of support for SMEs, especially in sectors like restaurants, where market competition is high. Business incubators, mentorship programs, and industry associations could provide valuable guidance and networking opportunities, helping business owners access resources, advice, and funding opportunities that may otherwise be out of reach.

By addressing these financial barriers, the government, financial institutions, and other stakeholders can significantly improve the growth prospects for SMEs, particularly in Lusaka's restaurant sector. This, in turn, will contribute to the broader goals of economic development, job creation, and poverty reduction in Zambia.

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