



The influence of strategic management practices on business performance on SMEs In Zambia

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Abstract

This study explores the role of strategic management practices in enhancing the business performance of small and medium-sized enterprises (SMEs) in Lusaka's Central Business Area. SMEs are vital to Zambia's economic development, contributing to job creation, innovation, and poverty reduction. However, these enterprises face significant challenges, such as operational inefficiencies, limited access to capital, and insufficient technical expertise, which often hinder their growth, productivity, profitability, and sustainability. The research focuses on three key components of strategic management: strategic planning, strategy implementation, and strategy evaluation, to understand their impact on SME performance. Strategic planning helps businesses align their resources effectively, ensuring they meet both short-term and long-term objectives. Strategy implementation enables SMEs to take action to overcome barriers, manage risks, and capitalize on opportunities. Strategy evaluation ensures businesses can track their progress and adapt to changing market conditions, which is essential for maintaining competitiveness in a dynamic environment. A mixed-methods research approach was used to gather data through surveys, interviews, and case studies from a sample of 120 SME owners and employees in Lusaka. This approach provided both quantitative and qualitative insights into the impact of strategic management practices. The findings show a clear positive correlation between the adoption of effective strategic management and improved business performance. SMEs that engaged in strategic planning allocated resources more efficiently, while those that implemented strategies successfully overcame operational barriers and market challenges. Additionally, regular strategy evaluation allowed businesses to adapt and remain resilient amid economic uncertainties. Many small businesses lack access to professional consulting services and struggle with technological investments, skilled labor, and market research.

Keywords: Strategic, management, implementation, SMEs, challenges

Introduction

Small and medium-sized enterprises (SMEs) are pivotal to the economic development of Zambia, particularly in urban centres like Lusaka. They contribute significantly to job creation and innovation, representing a substantial portion of the country's business landscape (PACRA, 2022). However, despite their importance, many SMEs in Lusaka's central business area face challenges that hinder their performance and growth. Research has shown that effective strategic management practices are crucial for improving operational efficiency, market competitiveness, and overall business sustainability (David, 2017; Kraus *et al.*, 2018). Strategic management involves the formulation and implementation of major goals and initiatives, driven by an organization's internal and external environments (Mintzberg, 1994). For SMEs, this process is often overlooked due to resource constraints and a focus on day-to-day operations (Morrison & Wensley, 2021). Consequently, many SMEs operate reactively rather than proactively, leading to suboptimal performance outcomes. Key strategic management practices namely planning, implementation, and evaluation are essential for driving organizational success.

Background

Successful businesses have implemented different strategies which have resulted into their planning pay off. Strategic Management can be defined as "the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objective (Stephens and Sandberg, 2019) ^[47]. Strategic Management is "the on-going process of formulating, implementing, and

controlling broad plans guide the organizational in achieving the strategic goods given its internal and external environment (Goerzen, Asmussen, and Nielsen, 2013) ^[6]. Top management must put into consideration the available resources, and in addition, carry out an assessment of the internal and external environments in which the organization competes. Strategies are important to business houses because they guide the management to set direction, focus effort, define, or clarify the organization, and provide consistency or guidance in response to the environment. Strategic Management according to Abebe, (2021) ^[1], entails decision making and undertaking corrective actions for the achievement of both long-term and short-term goals of an organization. Strategic management defines the purpose of the organisation and the plans and actions to achieve that purpose. Sharabati and Fuqaha, (2014) ^[44] advised that globally, strategic management has been regarded as the most crucial practice which differentiates organizations from each other.

Strategic Management practices are the different approaches that a company undertakes to achieve its objectives. They entail formulation of the company's mission while including broad statements about its purpose, philosophy, and goals (Goerzen, Asmussen, and Nielsen, 2013) ^[6]. The company must ensure that it focuses on its areas of strength so that it does not disappoint its customers. The company also develops a company profile that reflects its internal conditions and capabilities. Companies also assess their external environment, including both the competitive and general contextual factors. They do this by coming up with strategies to beat competition. Example is the Coca-Cola industry which ventured into the production of juice drinks

because of the success of the Delmonte juice products in Kenya. In addition, companies also analyse their options by matching their resources with the external environment. Strategic management practices in general gives the overall direction to business entities and industries to ensure their competitiveness in any given market. The purpose of strategic management is to exploit and create new and different opportunities for tomorrow through long-range planning. A study conducted by Muogbo (2013) in Nigeria showed that in Africa, strategic management practices have significant effect on competitiveness and productivity of business firms. Juma and Okibo (2016) carried out a study on the effects of strategic management practices on the performance of public health institutions in Kisii County, Kenya and found out that technology creates innovation leading to product quality and high value of the company's offerings hence competitiveness. Strategic drivers of competitiveness both locally and globally are closely linked to specific strategies that maximize organizational performance. These drivers are created by different market development strategies that dictate the way companies have to compete in the industry and have to be considered when implementing a strategy.

Statement of the Problem

The performance of small and medium-sized enterprises (SMEs) is critical to economic growth, particularly in emerging markets like Lusaka's central business area. However, many SMEs struggle with operational inefficiencies and limited competitiveness, often due to inadequate strategic management practices. Research as seen through countries like Singapore and Taiwan indicates that effective strategic management can significantly enhance business performance by aligning resources with market opportunities (David, 2017; Mintzberg, 1994).

The performance of SMEs in Lusaka's business areas, as reported by the Patents and Companies Registration Agency (PACRA), reveals both potential and challenges. According to PACRA (2022) ^[39], SMEs constitute a significant portion of registered businesses in Lusaka, contributing to employment and economic growth. However, many SMEs face issues such as limited access to finance, inadequate infrastructure, and regulatory hurdles, which can hinder their growth and sustainability (PACRA, 2021) ^[38].

According to the Patents and Companies Registration Agency (PACRA) and the Zambia Development Agency (ZDA), the failure rate of SMEs in Zambia is a significant concern.

Failure Rate: Research indicates that approximately 60% of SMEs in Zambia fail within their first few years of operation (ZDA, 2023). This high failure rate is attributed to various factors, including lack of access to finance, inadequate business management skills, and insufficient market knowledge.

Contributing Factors: PACRA highlights that many SMEs do not engage in formal strategic planning or management practices, which can lead to misalignment of resources and market opportunities, further contributing to their challenges (PACRA, 2022).

Performance Issues: The ZDA notes that while SMEs contribute significantly to the economy, their performance is often inconsistent. Many businesses struggle to scale and adapt to changing market conditions, resulting in high turnover rates and limited profitability (ZDA, 2023).

Furthermore, studies have shown that while some SMEs demonstrate resilience and innovation, a substantial number struggle with poor strategic planning and management practices. This has led to inconsistent performance levels, with many businesses failing to reach their full potential (Chikozho, 2021) ^[11]. PACRA emphasizes the importance of enhancing support systems, including training and access to capital, to improve SME performance in the region (PACRA, 2022).

Despite their significant contribution to economic growth and employment, many Small and Medium-Sized Enterprises (SMEs) in Lusaka Central Business Area (CBA) struggle to sustain competitive advantage and achieve optimal business performance for a long time resulting into SMEs to remain static (Choongo, Van Burg, Paas & Masurel, 2016) ^[10]. The adoption of strategic management practices such as planning, implementing and evaluation has been touted as a key driver of success, yet the relationship between these practices and business performance remains poorly understood in the context of SMEs. A considerable number of SMEs in Lusaka operate without formalized strategic frameworks, leading to suboptimal outcomes (Morrison & Wensley, 2021).

By examining how various strategic approaches such as planning, implementing, and evaluation can affect business performance metrics, this research aims to provide empirical evidence that highlights the necessity of strategic management for SMEs at Lusaka Central Business Area. Understanding these dynamics is essential for promoting sustainable growth and resilience among local enterprises, ultimately contributing to broader economic development (Kraus *et al.*, 2018; Kinyanjui, 2020).

1. Objectives of the research

Research Objectives:

- To assess the internal and external factors affecting the implementation of strategic management practices in SMEs?
- To identify the factors affecting the adoption of strategic management practices in SMEs.
- Develop a framework for effective strategic management evaluation on SMEs in Lusaka Central Business Area.

2. Significance of the study

The significance of this study lies in its contribution to understanding the critical role of strategic management practices in improving the business performance of small and medium-sized enterprises (SMEs) in Zambia, particularly in Lusaka's Central Business Area. SMEs are essential to Zambia's economic growth, providing employment, driving innovation, and contributing to poverty reduction. Despite their importance, SMEs often face significant challenges that undermine their growth and sustainability. By examining the impact of strategic management practices, this study provides valuable insights into how SMEs can overcome these challenges and enhance their business performance.

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.

Resource-Based View (RBV) Theory

The Resource-Based View (RBV) theory suggests that a firm's internal resources and capabilities are key to achieving and sustaining a competitive advantage. According to this theory, firms that possess valuable, rare, inimitable, and non-substitutable resources can outperform competitors and achieve superior performance (Barney, 1991). In the context of SMEs, strategic management practices like strategic planning and effective resource allocation help align these resources to enhance competitiveness and performance.

Dynamic Capabilities Theory

Dynamic Capabilities Theory emphasizes a firm's ability to adapt, integrate, and reconfigure its resources and capabilities in response to changing environments. This theory posits that firms with strong dynamic capabilities can sense opportunities, seize them, and transform their resources to maintain a competitive advantage (Teece, Pisano, & Shuen, 1997). For SMEs in Lusaka's Central Business Area, dynamic capabilities help them respond to economic shifts and ensure sustainability and growth, especially in rapidly changing or uncertain market conditions.

Empirical Literature

Strategic Management

Strategy came into being due to competition. Strategic management is a comprehensive and ongoing process aimed at formulating, implementing, and evaluating strategies to achieve organizational goals and objectives. The whole essence of strategy planning is to enable an organization to gain a sustainable edge over its competitors. There is the basic need to leverage an organization's strength in a most efficient way over its competitors. This is the whole essence of a corporate strategy. Strategy is all about developing action plans that enables an organization to deploy its enterprising strength within its sphere of business operations (Nag *et al.*, 2007). For strategy to achieve its purpose, there is need for a deep thinking. When an organization strives to maintain a superior edge over competitors, the thought pattern of one helmsman should be different (Noko, 2011)^[36]. Noko argues that strategic management thus involves the formulation and implementation of the major initiatives taken by a company's top management on behalf of owners, based on consideration of resources and an assessment of the internal and external environments in which the organization competes.

The Strategic Management Process

A study was conducted by Thompson and Strickland (2013) on strategic management amongst SMEs in Brazil. The study noted that internal process perspective focuses on all the activities and key processes required for the company to excel at providing the value expected by the customers. They argued that the clusters for the internal process perspective are operations management, customer management, innovation and regulatory & social. The link between strategic management and organisational

performance is in the innovation and learning perspective which focus on the intangible assets of an organization, mainly on the internal skills and capabilities that are required to support the value creating internal processes. This brings to the understanding that strategic management and business performance are asserts which must be appreciated if the company must grow to the expected standards.

Another study was conducted by Odunlami (2014) which looked at strategic management as a Panacea for marketing in a fermented country. The study found that every business, no matter how big or small, needs effective strategies that meaningfully respond to the needs of its value chain. Effective strategies have clear, specific, measurable, attainable, realistic and time bound objectives which are relevant to the needs of the organisation. Sandu (2013) adds that good strategies encourage workers to grow and be innovative and creative in their businesses. The strategy must also concentrate on specific areas of improvement and focus as directed by the organisation's vision so that the business can grow and create enough revenue for competition. Flexibility of strategy enhances the possibility of relevant review and refocusing as the organisation progresses. All the departments of the organisation should work together in harmony and unity of purpose. To gain competitive advantage over competitors, the organisation's strategy should be executed with speed, diligence, and secrecy to outwit unprepared competitors and opponents.

Strategic Planning in Small and Medium Enterprises (SMEs)

Strategic planning is a vital process for businesses of all sizes, but it holds particular significance for Small and Medium Enterprises (SMEs). SMEs face unique challenges and opportunities that necessitate a clear strategic direction to ensure sustainability and growth. This essay explores the concept of strategic planning within SMEs, its importance, common frameworks, and the barriers SMEs encounter in the planning process.

Importance of Strategic Planning in SMEs

Strategic planning provides SMEs with a roadmap to navigate the complexities of the business environment. According to David (2011), strategic planning enhances decision-making, resource allocation, and performance measurement. SMEs often operate with limited resources, making it essential to prioritize initiatives that yield the highest return on investment (ROI). A structured planning approach allows these enterprises to align their operations with long-term objectives, fostering resilience against market fluctuations.

Furthermore, strategic planning aids in identifying competitive advantages. Porter (1985) emphasizes the significance of understanding one's competitive position in the market. For SMEs, which may lack the market share of larger firms, strategic planning can highlight niche markets or unique value propositions that differentiate them from competitors.

Common Frameworks for Strategic Planning

Several frameworks assist SMEs in developing effective strategic plans. Among the most popular are SWOT analysis, the Balanced Scorecard, and Porter's Five Forces.

SWOT Analysis

SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis is a foundational tool that allows SMEs to evaluate internal and external factors affecting their business. By identifying strengths and weaknesses, SMEs can leverage their unique capabilities while addressing areas needing improvement (Helms & Nixon, 2010). Opportunities and threats analysis help in understanding market dynamics, enabling SMEs to capitalize on favourable conditions while mitigating risks.

Balanced Scorecard

The Balanced Scorecard (BSC) offers a comprehensive framework that translates strategic objectives into actionable measures across four perspectives: financial, customer, internal processes, and learning and growth (Kaplan & Norton, 1992). For SMEs, the BSC can facilitate a balanced approach to performance management, ensuring that short-term actions align with long-term strategic goals. This holistic view is particularly crucial for SMEs that may otherwise focus narrowly on financial metrics.

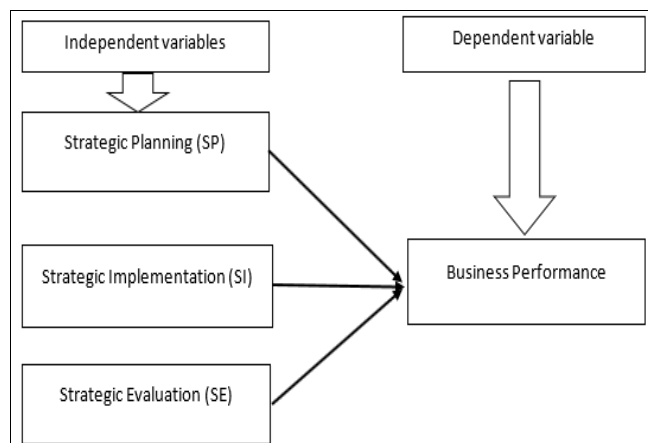
Porter's Five Forces

Porter's Five Forces framework helps SMEs analyse their competitive environment. By assessing the bargaining power of suppliers and customers, the threat of new entrants, the threat of substitute products, and industry rivalry, SMEs can formulate strategies that enhance their competitive position (Porter, 2008). This analytical tool is essential for SMEs to identify external pressures and adapt accordingly.

Conceptual Framework

A conceptual framework is a visual or written representation of the key variables or concepts in a study and the relationships between them. It outlines the theoretical assumptions and constructs that guide the research process, helping to explain how the different factors are interconnected and how they will be measured or analyzed. The conceptual framework serves as a blueprint for the study, showing how the research questions are addressed through the analysis of specific variables and their interactions.

In the context of research, the conceptual framework helps to clarify the focus of the study by identifying the key elements that will be explored and offering a structure for organizing data and findings. It is often developed based on existing theories, literature, and the researcher's understanding of the research problem.



Source: Author

Research Methodology

This section presents the research methods such as the research design, sources of data, sample size, sampling methods as well as methods of data collection, reliability of data, validity of data and ethics that would be used in this study.

Research Design

The researcher used explanatory sequential design to investigate the influence of strategic management on business performance of SMEs in Lusaka Central Business Areas. This design is appropriate because it enabled the researcher to collect data using an interview guide, questionnaire and analyse the documents at the same time. Creswell, (2014) [14] states that the purpose of explanatory design is to collect qualitative data and quantitative data separately thereafter, merge this data to give meaning to each other. This complemented the weakness of the other method thereby providing data validity and reliability.

Research Philosophy

The study adopted a positivist research approach. Positivism is typically associated with quantitative research and posits that knowledge is derived from observable, empirical phenomena. In line with positivism, this study focused on the collection of measurable, objective data to identify patterns, relationships, and generalizable findings.

Research Approach

This study was a mixed methods approach which combined qualitative and quantitative approaches to collect data for the study. Ngulube, (2015) [34] posits that Mixed Methods Research (MMR) is in the realm of multi-paradigms since it employs both the positivist and explanatory paradigms.

Sampling Techniques

Cohen *et al.*, (2014) [12] states that purposive sampling involves researchers handpicking the cases to be included in the sample on the basis of their judgment of their typicality or possession of the particular characteristics being sought. The power of purposive sampling lies in selecting information rich in cases for in-depth analysis related to the central issues being studied. Purposive sampling procedures were used to sample the SME owners from the 10 businesses for the study. These were purposively sampled because they are the participants responsible for the management of the SME and they make decision with regards to the strategy they follow.

Data Collection Method

Data collection techniques involve any device which is used to collect the data. Techniques can be presented in written, audio, or visual format. Responses can be gathered via paper-and-pencil tests, computer administered tests, video camera, or audiotape recorder (Tavakoli, 2012). Kasonde-Ng'andu (2014) says data collection techniques are the tools that the researcher uses in collecting the necessary data. In this study, the following research instruments were used to collect data for the study: interview guide, document analysis and a questionnaire.

Quantitative Approach

A questionnaire was used to get views from the employees who work for the sampled SMEs. Their views will help the

researcher understand if the strategic management practices were implemented in their businesses. A questionnaire helped the participants not to interact with the researcher and lessen interference in the businesses since the participants were at work at times.

Qualitative Approach

Under qualitative approach, data from participants was collected using an interview guide. The owners of the SMEs were interviewed in this study because they are the participants who keep track of the strategic management procedures in the business. This instrument helped the researcher to come up with authentic data from the participants who ensure that they make strategies for the business to run, and they are able to tell how the different strategies they have used have affected the business performance. Document analysis will also be used to collect qualitative data. Using this tool, the study reviewed the strategic management documents which the SMEs will be asked to avail to the researcher. These included among others: the vision, the strategic plan, the motto and other relevant document which was available in the business houses.

Data Analysis

A quantitative method was used to analyze the collected data, facilitated by the Statistical Package for Social Sciences (SPSS) software. SPSS is a widely used tool for managing and analyzing quantitative data, offering robust tools for both descriptive and inferential statistical analysis. Once the data was entered into SPSS, the initial step involved summarizing the data using frequency tables, which outlined the distribution of responses across various questions. This step provided an overview of the data's general trends.

The data was then categorized into common themes based on the responses, allowing for further analysis of patterns and relationships. Descriptive statistics, including frequencies, percentages, and central tendency measures (mean, median, mode), were used to analyze the data. Additionally, inferential statistics, such as correlation analysis, were employed to examine relationships between variables and assess the statistical significance of the observed patterns. The findings were then presented through visual aids such as graphs and charts, which provided a clear and accessible representation of the results.

Validity

Validity in this study refers to the extent to which the research instruments accurately measure what they are intended to measure. According to Kothari (2004), validity involves the accuracy and appropriateness of the measuring instrument in addressing the research objectives. The study used face validity as the primary type of validity, which was established through pre-testing, rewording, and re-evaluation of the instruments used for data collection (Hardy & Bryman, 2004). A pilot study was conducted prior to the main data collection, which revealed that respondents required additional time to complete the questionnaires and frequent reminders. This feedback was taken into consideration to refine the data collection process for future use, enhancing the efficiency and effectiveness of the survey.

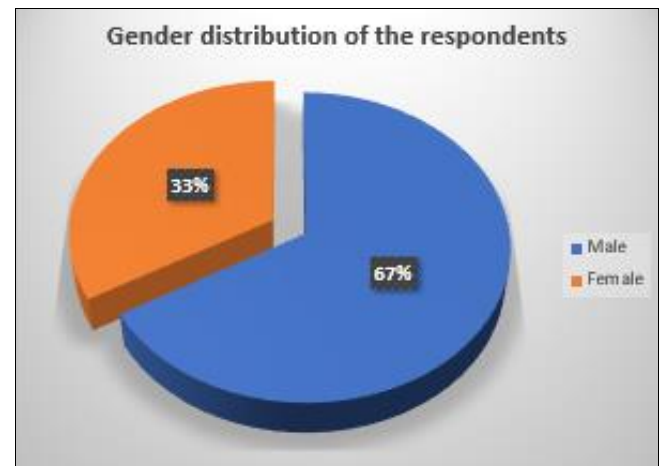
Ethical Considerations

The research adhered strictly to ethical standards, ensuring that the study was conducted in an ethical, transparent, and respectful manner. Before data collection began, the respondents were fully informed of the study's objectives and purpose. They were assured that their participation would be voluntary, their responses would remain confidential, and their anonymity would be protected. Ethical guidelines were maintained throughout the study to safeguard the well-being of all participants. The researcher ensured that no harm was caused to participants, and no personal or sensitive information was disclosed beyond what was necessary for the study.

Results

Demographic Information

The biographic data in this case included: gender, marital status, age, educational level, and marital status. These findings are presented below. The gender distribution in the study shows a significant skew towards male respondents, with 80 males (66.67%) and 40 females (33.33%) out of 120 total respondents. This 2:1 male-to-female ratio may impact the overall findings regarding how strategic management practices affect business performance in SMEs, although female perspectives are still included.



Demographic information

Age Category

More than half of the respondents were between 41 and 50 years old, followed by 16.7% who were between 31 and 40 years old, 16.6% who were between 18 and 30 years old, and with the least proportion (8.3%) who were 50 years old and above.

Educational Analysis

Majority of the study participants had diplomas (66.7%) followed by the respondents with degrees (25.0%), and with 8.3% had certificates.

Descriptive Statistics

The table below shows that 20.0% of the respondents mentioned that the extent to which strategic management practices influence business performance of SMEs is low, 15.0% mentioned it is moderate, and 65.0% mentioned it is high. Therefore, results of the study reveal that the extent to which strategic management practices influence business performance of SMEs is high.

		Frequency	Percent
Valid	Low	24	20.0
	Moderate	18	15.0
	High	78	65.0
	Total	120	100.0

Source: Fieldwork, 2023

Source: fieldwork, 2023

**Inferential Statistics
Multiple Regression**

Variables	SMP and the performance of SMEs				
	Unstandardized Coefficient	Std. Error	t-Statistic	Standardized Coefficients	Sig.
(Constant)	3.871	.510	7.589		.000
SP	.635	.084	.654	.697	.001
SI	.434	.121	-2.760	.461	.007
SE	.417	.080	-5.613	.498	.000
SC	.782	.102	.780	.782	.006
R	.691	R Square		.647	
Adjusted R Square	.519	R Square Change		.042	
F-Statistics	11.671	Prob (F-statistic)		.000	
Df1, Df2	4, 16	Std. Error of Estimate		1.01569	

a. Dependent Variable: SMEs
b. Predictors: (Constant), SF, SI, SE, SC, & SM

Significant at the 0.05 level (2-tailed).
Source: Fieldwork, 2023

Source: fieldwork, 2023

The results show a multiple regression analysis between the independent variable (SMP) and the dependent variable (BP) on (SMEs). The overall regression model is statistically significant ($F(4,16) = 11.671$, $p - value = .000 < 0.05$, $t = 7.589$).

Since the p-value is less than 0.05, this indicates that SMP have an influence on the performance of SMEs. This further implies that strategic management practices influence high Strategic performance of businesses thus distinguishing high business performance among SMEs in Lusaka Central Business Areas. The results accept the alternative hypothesis which stated that there was a relationship between SMP and the performance of SMEs in Lusaka district while rejecting the null hypothesis which stated that there was no relationship between SMP and the performance of SMEs.

In summary, the results of the regression model show that the overall model is significant ($F(4,16) = 11.671$, $p - value = .004 < 0.05$, $t = 7.589$, $Adjusted R^2 = .519$, $R = .647$).

The model explains 51.9 % and 64.7% of variance accounted for by the predictor variable (SMP). Results indicate that SF

($p - value = .001 < 0.05$, $t = .654$, $\beta = .697$), SI ($p - value = .007 < 0.05$, $t = -2.760$, $\beta = (.461)$), SE ($p - value = .000 < 0.05$, $t = -5.613$, $\beta = .498$) and SC ($p - value = .006 < 0.05$, $t = .460$, $\beta = .782$), have an influence on the performance of SMEs. Specifically, the results suggest that Strategic Management Practices (SMP) such Strategic Planning (SP), Strategy Implementation (SI), Strategy Evaluation (SE) and Strategy Control (SC) have an influence on the performance of SMEs in Lusaka Central Business District. Therefore, the result shows satisfactory goodness of fit between the independent variables (SMP) and the dependent variable SP on (SMEs) as presented in the multiple regression equation below:

$$Y = \alpha + SFX_1 + SIX_2 + SEX_3 + SCX_4$$

$$Y = 3.871 + (.697)X_1 + (.461)X_2 + (.498)X_3 + (.782)X_4$$

Conclusion

The first objective established the strategic management practices the SMEs were using to achieve the current business performance in Lusaka Central Business Area. The study established through questionnaires that participant’s practices on strategic management on business performance of SMEs in Lusaka Central Business areas varied. However, the findings from the regression model, demonstrated that extent to which strategic management practices influence business performance of SMEs was high with indications as follows: 65.0% of the respondents mentioned that the extent to which strategic management practices influence business performance of SMEs was high, 15.0% mentioned that it was moderate, and 20.0% mentioned that it was low. The study concludes that SMEs in Lusaka Central Business areas used strategic management practices to increase their business performance. This was so because the study discovered that SMEs in Lusaka Central Business areas used Strategic Formulation (SF), Strategy Implementation (SI), Strategy Evaluation (SE) and Strategy Control (SC) to impact on the performance of their business firms. Although the SMP varied among SMEs in Lusaka Central Business area, the regression model revealed that increased SF, SI, SE and SC relatively increased SMEs performance.

Recommendations

Arising from the offered conclusions of the study, the following recommendations were made:

- a. Ministry of Small and Medium Enterprises Development (SMED) to revise the guiding principles of the policy goal to accommodate professionalism and expertise among SMEs. This will help the SMEs to effectively operate within the national socio-economic development agenda as outlined in the Poverty Strategy Paper and Vision 2030.
- b. Small and Medium Enterprises to encourage CPD and Capacity building among SMEO and employees.
- c. Ministry of Small and Medium Enterprises Development (SMED) to sign a memorandum of understanding with banks and lending institutions to provide loans and financial access to SMEs. This will provide favourable and competitive environment for SMEs to operate improve business performance and growth.

- d. Ministry of Small and Medium Enterprise to develop a policy in conjunction with TEVETA and Ministry of Education to facilitate entrepreneurship training at all levels of education systems. This will help to acquisition and improvement of entrepreneurship skills such as strategic management practices.

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