

**SMES AND EXPORT TRADING IN ZAMBIA: EXAMINING THE ROLE OF ZAMBIA  
DEVELOPMENT AGENCY'S TRAINING ON EXPORT READINESS**

**BY**

**TIKWA KAPAPA**

**STUDENT NO: 720000133**

**A DISSERTATION SUBMITTED TO THE UNIVERSITY OF ZAMBIA IN  
COLLABORATION WITH ZIMBABWE OPEN UNIVERSITY IN PARTIAL  
FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF A MASTER OF  
BUSINESS ADMINISTRATION.**

**THE UNIVERSITY OF ZAMBIA**

**LUSAKA**

**2023**

## **COPYRIGHT**

All copyrights reserved, No part of this dissertation may be reproduced, stored in any retrieval, transmitted in any form by any means, electronic mechanism, photocopying or otherwise without prior permission, from the author or the University of Zambia.

© 2023 by Tikwa Kapapa. All rights reserved.

## DECLARATION

I **TIKWA KAPAPA**, do hereby declare that this dissertation is my own work to the best of my knowledge and that it has never been produced or submitted for any degree, diploma or other qualification at the University of Zambia or indeed any other university for academic purposes. I further declare that all other works of people used in this research have been duly acknowledged.

Signed:..... Date.....

**CERTIFICATION OF APPROVALS**

This proposal of **TIKWA KAPAPA** is approved as fulfilling the requirements for the award of the degree of Master of Business Administration (MBA-general) offered at the University of Zambia in collaboration with Zimbabwe Open University.

Name:

Signature:

Dr. Euphrasia Ng’andwe

.....

(Supervisor)

Examiners signatures:

Signature.....

Date.....

Signature :.....

Date.....

.....

Date of approval

## **DEDICATION**

This dissertation is dedicated to my late Dad, Mr. Chrispine Kapapa for his endless love, support and encouragement accorded to me throughout my educational journey.

## **ACKNOWLEDGEMENT**

My appreciation is out to **Dr. Euphrasia Ng`andwe** my dissertation supervisor at the University of Zambia, who worked tirelessly to turn this plan into a magnificent accomplishment. I would especially like to thank my family and friends for their support and encouragement throughout my education and research endeavor.

## **ABSTRACT**

This research examines the impact of entrepreneurial training provided by the Zambia Development Agency (ZDA) on the sales performance of Small and Medium Enterprises (SMEs) engaged in export trading in Zambia. Employing a mixed-method approach, the study surveyed 89 trained SMEs out of a population of 132 registered SMEs based in Lusaka who underwent ZDA's training program in 2022 and 2023. Findings indicate that the training equips entrepreneurs with skills necessary for international competition, with trained SMEs demonstrating higher levels of awareness of international trade regulations and compliance. Despite facing challenges such as lack of capital, currency fluctuation, and high business costs, trained SMEs show a propensity for market expansion and product diversification. The study underscores the positive impact of ZDA's training on SME performance in export trading, emphasizing the need for continuous support, innovation, and collaboration to sustain success in global markets. It recommends future research to explore longitudinal impacts, conduct comparative analyses, and leverage digitalization for enhanced effectiveness.

**KEYWORDS:** Training, Exporting, Sales performance, SMEs, entrepreneurs, international business

## TABLE OF CONTENTS

<b>COPYRIGHT .....</b>	<b>ii</b>
<b>DECLARATION .....</b>	<b>iii</b>
<b>CERTIFICATION OF APPROVALS .....</b>	<b>iv</b>
<b>DEDICATION .....</b>	<b>v</b>
<b>ACKNOWLEDGEMENT .....</b>	<b>vi</b>
<b>ABSTRACT .....</b>	<b>vii</b>
<b>LIST OF ACRONYMS .....</b>	<b>xii</b>
<b>CHAPTER ONE .....</b>	<b>13</b>
<b>INTRODUCTION .....</b>	<b>13</b>
1.0 Introduction .....	13
1.1 Background to the Study .....	13
1.2 Statement of the problem .....	15
1.3 Purpose of the Study .....	16
1.4 Study Objectives .....	16
1.4.2 Specific Objectives .....	16
1.5 Research Questions .....	16
1.6 Significance of the Study .....	17
1.7 Theoretical framework .....	17
1.7.1 Conceptual Framework .....	19
<b>CHAPTER TWO .....</b>	<b>22</b>
<b>LITERATURE REVIEW .....</b>	<b>22</b>
2.0 Overview .....	22
2.2 Global Perspectives .....	23
2.3 Regional Perspectives .....	25
2.4 Local Perspective .....	28
2.5 Role of Training in Export Readiness of SMEs .....	31
<b>CHAPTER THREE .....</b>	<b>33</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>33</b>

3.0 Introduction .....	33
3.1 Philosophical approach .....	33
3.2 Research Design .....	33
3.3 Study Population.....	34
3.4 Sampling methods .....	34
3.5 Sampling procedure .....	35
3.6 Data Collection methods.....	35
3.7 Data collection tools .....	36
3.8 Data Analysis .....	36
3.9 Research Validity and Reliability.....	37
3.10 Research Ethics.....	38
<b>CHAPTER FOUR .....</b>	<b>40</b>
<b>DATA ANALYSIS AND FINDINGS.....</b>	<b>40</b>
4.1 Overview .....	40
4.2 Gender .....	40
4.2.1 Age distribution .....	41
4.2.2 Respondent’s education level.....	42
4.3 Years in business .....	42
4.3.1 Years of SME operating.....	43
4.4 Business Ownership.....	43
4.4.1 Industries SMEs have ventured into .....	44
4.5 Business ownership structure .....	44
4.6 Nature of business.....	45
4.7 Product offering across all entrepreneurs.....	46
4.8 Performance of SME’s after the training .....	46
4.9 Received training or research material from ZDA in international engagement .....	47
4.9.1 Lessons covered at SME training .....	47
4.10 Research conducted by respondents .....	49
4.11 Main factors and benefits of having an international business presence .....	49
4.11. Trained SME for export business .....	50
4.11.1 Product exports .....	51

4.13 Export destinations(s) for Zambian products .....	52
4.14 Products for exports by Zambian SMEs. ....	53
4.15. Proportion of activities that constitutes exports .....	54
4.16 Entry modes into international market.....	54
4.17. Product manufacturing .....	55
4.18 Raw material acquisition for product development.....	56
4.19 Problems encountered in the exports business .....	56
4.20 Legislative barriers encountered in international engagement.....	57
4.20.1 International trade regulations knowledge .....	58
4.21 Barriers to the development of SMEs in Zambia .....	59
4.22 Measures ZDA should adopt to improve SME exporting in Zambia .....	60
4.23 Chapter summary.....	61
<b>CHAPTER FIVE.....</b>	<b>62</b>
<b>DISCUSSION OF FINDINGS .....</b>	<b>62</b>
5.1 Overview .....	62
5.2 Entrepreneurial training and how it improved performance of SME’s in export trading....	62
5.3 Expansion into new markets or diversified product/service offerings .....	66
5.4 Level of understanding and compliance with international trade regulations and export requirements among trained SMEs. ....	68
<b>5.5 Chapter Summary .....</b>	<b>71</b>
<b>CHAPTER SIX.....</b>	<b>72</b>
<b>CONCLUSION AND RECOMMENDATIONS .....</b>	<b>72</b>
6.1 Overview .....	72
6.2 Conclusion and recommendations .....	72
6.3 Recommendations for future research .....	73
<b>REFERENCES .....</b>	<b>78</b>
<b>Appendix i: Research budget .....</b>	<b>80</b>
Appendix ii : Gantt Chart.....	81
Appendix iii: Questionnaire .....	82
Appendix iv: Interview guide.....	88
Appendix v: Ethical approval letter.....	89

## LIST OF TABLES

Table 1: Age distribution.....	44
Table 2: Education level.....	45
Table 3: Nature of business.....	47
Table 4: Product offering.....	48
Table 5: Research conducted by respondents.....	50
Table 6: Trained SMEs for export business.....	51
Table 7: Products for export.....	52
Table 8: Raw material acquisition.....	54

## LIST OF FIGURES

Figure 1: Gender of respondents.....	44
Figure 2: Number of years in business.....	45
Figure 3: Business type.....	46
Figure 4: Ownership structure.....	46
Figure 5: Business performance.....	48
Figure 6: Received training or research material from ZDA.....	49
Figure 7: Benefits of international business presence.....	50
Figure 8: Reasons for SMEs not engaged in exportation.....	53
Figure 9: Export destination.....	53
Figure 10: Proportion of activities that constitute exports.....	53
Figure 11: Entry modes into international markets.....	54
Figure 12: Product manufacturing.....	56
Figure 13: Problems encountered in the export business.....	56
Figure 14: Legislative barriers encountered in international engagement.....	56
Figure 15: Barriers to the development of SMEs in Zambia.....	57
Figure 16: Measures ZDA should adopt to improve SME's in export in Zambia.....	57

## **LIST OF ACRONYMS**

CEPEX: Centre de promotion de exportation

GDP: Gross domestic product

ITC: International trade center

MCTI: Ministry of commerce trade and industry

NTES: Non-traditional exports

SME: Small and medium enterprise

SSA: Sub-Sahara Africa

WTO: World trade organization

ZDA: Zambia Development Agency

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.0 Introduction**

This chapter will present the background of the study, statement of the problem, purpose of the study, study objectives, research questions, and significance of the study, theoretical framework, and scope of the study, Limitation of the study, operational definitions and a summary. The proposed research will help provide information to understand how training for Export-readiness does assist Zambian SMEs to tap into the vast opportunities available in the export market and to continuously grow in the export performance in the long term.

### **1.1 Background to the Study**

All firms involved in exporting and international markets need training and skills believed to be one of the keys to growth. When firms have sufficient knowledge about the markets in which they export to, it becomes easier to do business effectively and with minimum risk in those markets (Fungwe & Kabubi, 2019). This is true for large as well as small firms, whose performance is increasingly dependent on a clearer and more informed understanding of the markets they serve.

According to Fox & Bakhoun (2019) knowledge about the export market is vital for better performance and it is important for business owners to have it. Training in export trading is no longer the privileged attributes of large corporations. The key factor in a firm's competitiveness is better organisation of the innovation process and other functions. Innovation itself comes from training that provides knowledge to the business owners (Thabani & Richard, 2020). Training programmes have more favorable performance trends for various organizations in a number of areas including revenues, profitability, employee relations, quality and productivity and their business viability and outlook (Fungwe & Kabubi, 2019).

Thus, competitiveness and strategy play an important role that could highly impact the execution of SMEs in international market and globalization. Accordingly, competitiveness would be the drive for SMEs but most SMEs simply rely upon the perspectives and direction received from the top administration or the Chief Executive Officers (CEOs) of the association itself. However, there is a case for caution in hypothesising a direct link between management training and firm performance. The main result of training on SMEs is that it is the combination

of management measures which influences performance in business. These measures include not only training but also business strategies that are inter-linked such as recruitment, employment security, use of self-managed teams, wages linked to performance and information-sharing.

The problem of lack of training by SME in exporting can lead to knowledge gaps and sub-optimal performance. According to Berko Obeng Damoah (2018), one such strategy for promoting SMEs' entry into export markets is through training to increase their capacity and commitment to exporting. In Zambia, this is being done by Zambia Development Agency. The training is meant to help small companies to identify the gaps which they are currently facing in their businesses and hindering them from fully harnessing their export potential. In order to guarantee effective and productive exporting activities, it is essential for the firms to receive training to strengthen their commitment to exporting. Kalyongwe (2019) also stated that such training can be done by government authorities. SMEs in Zambia do significantly contribute to the country's economic growth through employment creation, poverty reduction, and they act as intermediaries in trade (GOK, 2014). However, despite the critical role played by the sector, it is faced with many challenges when it comes to export business because SME owners do not have adequate knowledge about export trading (Alharbi, et al, 2015; Fox, E. M., & Bakhoun, 2019; Mattoo & Payton, (Eds.). (2007).

The Zambia Development Agency is a statutory body established in 2006 by an Act of Parliament (ZDA Act, No. 11 of 2006) and became operational in January 2007. It was set up in order to improve service delivery by operationalizing the concept of "One Stop Shop." It operates as a semi-autonomous institution with its Board of Directors appointed by the Minister of Commerce, Trade and Industry. The primary objective of the Agency is 'to foster economic growth and development by promoting trade and investment in Zambia through an efficient, effective and coordinated private sector led economic strategy' (ZDA Act, No. 11 of 2006). The Agency's mandate includes facilitation of the economic development of Zambia by promoting investment and competitiveness of businesses and promoting exports from the country. It has the task of working with relevant authorities to reduce the cost of doing business in the country by simplifying the process of various formalities such as licensing. The Agency is also responsible for building and enhancing the country's investment profile for increased capital inflows, capital formation, employment creation and promoting the growth of Micro,

Small and Medium enterprise (MSME) sector by working with Government to create an investment climate that can propel long term sustainable domestic growth.

In promoting and facilitating export business, the agency is tasked with the important role of ensuring the growth of non-traditional exports (NTES) and increasing market access for Zambian products in export markets across the globe. This mammoth obligation embeds in it the capacity development of Micro Small Medium Enterprises (MSMEs) in terms of product development, export promotion and market access to ensure that Zambian products reach the regional, continental and international markets. In undertaking this pillar of its mandate, the agency runs a capacity building programme to ensure that MSMEs undergo robust export readiness training and mentorship programme in readiness for export markets. This also includes the aspects of mentorship for companies with potential to export as well as dissemination of much needed export information relating to available market and export ready products. The need for training is motivated by the continued inadequate levels of understanding of basic export requirements and standards among the majority of firms.

The aim of the research is therefore, to examine the drivers influencing the export propensity of Zambian Small and Medium-sized enterprises. This research seeks to understand how the training by Zambia Development Agency can reduce exporting challenges and problems faced by small and medium scale enterprises (SMEs) in Zambia. The researcher will also identify gaps in the literature with regard to training and sales performance of SMEs in export business.

## **1.2 Statement of the problem**

The globalization of markets has presented significant opportunities for Small and Medium-sized Enterprises (SMEs) in Zambia to expand their businesses through international trade. However, many SMEs face challenges in effectively engaging in export activities due to various factors including limited knowledge of international trade practices and lack of resources. Recognizing this, the Zambia Development Agency (ZDA) has implemented training programs aimed at enhancing SMEs' export readiness. As observed by Mattoo & Payton (2007), export trading is seen as an important economic factor in terms of growth of SMEs everywhere in the world.

Despite the efforts of the Zambia Development Agency (ZDA) in providing export readiness training to SMEs, the extent to which these initiatives effectively prepare SMEs for international trade remains unclear. There is a lack of comprehensive research assessing the

impact of ZDA's training programs on SMEs' export readiness and their subsequent participation in export trading activities. Understanding the effectiveness of these training programs is crucial for informing policy decisions and enhancing the competitiveness of SMEs in the global market.

### **1.3 Purpose of the Study**

The study sought to find out the effects of entrepreneurial training on export performance of trained SMEs by the Zambia Development Agency and to investigate and evaluate the effectiveness of the export readiness training programs implemented by the Zambia Development Agency (ZDA) in enhancing the competence of Small and Medium-sized Enterprises (SMEs) to engage in export activities.

### **1.4 Study Objectives**

The Study was guided by the following research objectives:

#### **1.4.1 General Objective:**

The general objective of this study was to assess the effects of entrepreneurial training on sales performance of selected trained SMEs.

#### **1.4.2 Specific Objectives**

- i. To investigate how entrepreneurial training by Zambia Development Agency affects performance of small and medium enterprises in export trading in Zambia.
- ii. To investigate the extent to which SME's have expanded into new markets or diversified their product/service offerings.
- iii. To assess the level of compliance with international trade regulations and export requirements among trained SMEs.

### **1.5 Research Questions**

- i. How does entrepreneurial training by Zambia Development Agency affect performance of small and medium enterprises in export trading in Zambia?

- ii. How have the trained SMEs expanded into new markets or diversified their product/service offerings?
- iii. What is the level of compliance with international trade regulations and export requirements among trained SMEs?

### **1.6 Significance of the Study**

The study was important because it provided information on how Zambia Development Agency has helped train SMEs to be export-ready and export-oriented. The Ministry of Commerce Trade and Industry announced that it had a series of action to improve support for SMEs to restructure and achieve quality growth for export readiness, therefore this study helped them in terms of how they could support SMEs. The study enhanced SMEs to transform their business and to overcome the key challenges facing them in export business. This was achieved by raising awareness on the basics that should be known before entering an international market, the importance of having an export plan and awareness on the implication of costing and pricing on a business.

An evaluation of the effects of entrepreneurial training on sales performance for export readiness among SMEs therefore can contribute valuable insights to the fields of entrepreneurship, international business, and economic development. It may inform strategies to support SMEs in their efforts to enter and thrive in international markets.

### **1.7 Theoretical framework**

The theoretical framework is the structure that can hold or support a theory of a research study. The theoretical framework introduces and describes the theory which explains why the research problem under study exists. The theoretical research framework is to be operationalized to understand the positive relationship between competitiveness, international knowledge and experiences, export oriented management attitude and internationalization with SMEs export performance. Other key factor is government involvement to ensure training for SMEs to keep exporting and to develop and improve business to sustain and leverage their business to internationalization. Two theories underpinned research which was Resources Based Theory and Competitive Advantage Theory.

According to the Resource –Based View (RBV) theory, a firm is defined as a bundle of resources integrated into different ways, and it is this combination that gives a firm its

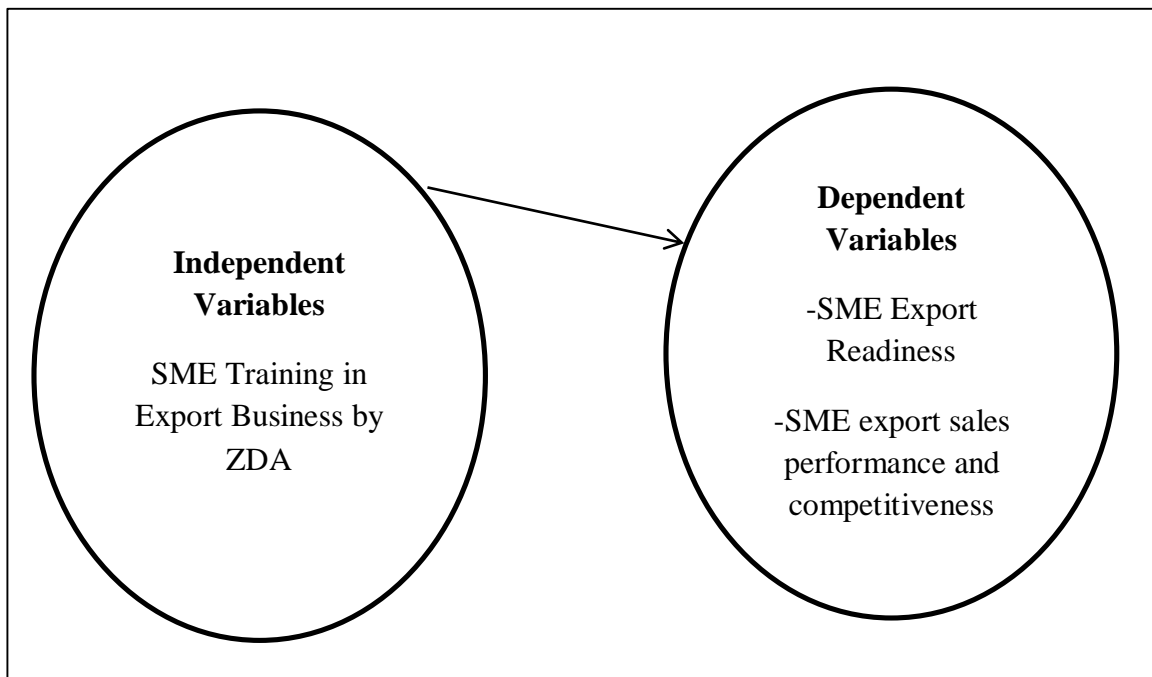
uniqueness (Wernerfelt, 1984). The RBV offers a theoretical underpinning for the importance of various types of resources owned by a firm to its competitiveness and overall performance (Roxas & Chadee, 2011). Based on the theory, organizations' performance varies due to differences in resource endowment (Barney, 1991; Peteraf, 1993). RBV theory suggests that resources that are valuable are rare, difficult to imitate, and non-substitutable which best position a firm for long-term success (Chisala, 2019; Matakala, 2019). For SMEs, entrepreneurial training is viewed as a strategic intangible resource that significantly contributes to their competitive advantage and superior performance (Monteiro et al., 2017; Runyan et al., 2006). Entrepreneurial training promotes the ability of firms to gain and maintain a competitive advantage in a volatile business environment such as the export markets (Altinay et al., 2015; Hossain et al., 2022). SMEs should therefore strategically utilize entrepreneurial training to gain a competitive advantage and achieve success in export markets.

**Competitive Advantage Theory-**The competitive advantage theory suggests and states that businesses should pursue policies that create high-quality goods to sell at high prices and in larger markets (Thabani & Richard, 2020). According to the defenders of this theory, training which strongly ties with capacity building and competence are among the major determinants of a firm's competitiveness, export oriented management attitudes and international knowledge and experience and SMEs export performance towards internationalization (Fungwe & Kabubi, 2019).

Although competing in international markets offers important potential benefits, such as access to new customers, the opportunity to lower costs, and the diversification of business risk, going overseas also poses daunting challenges (Fox & Bakhoun, 2019). The objective then will be carried out to gather related information to identify the gaps and help to fix the issues for further development (Umar & Kunda-Wamuwi, 2019).

Therefore, by merging resource-based theory and competitive advantage theory in a study on SME export in Zambia, the researcher developed a holistic understanding of the strategic drivers of SME internationalization and provided practical insights for policymakers, practitioners, and SMEs seeking to navigate and succeed in global markets.

### 1.7.1 Conceptual Framework



The conceptual framework provides variables that underpin the study and that has been discussed in this study to conceptualize significant relationship between training in export oriented management and international knowledge and performance of SMEs in export trading. These variables have directly affected the performance of SMEs in Zambia.

### 1.8 Scope of the Study

The study was limited to SMEs based in Lusaka that have been trained by Zambia Development Agency. The study focused on the owners or managers of the registered SMEs. The study also involved a cross section of SMEs businesses in different industries that have taken part in the training. The findings were used to generalize the scope of operations of SMEs in Zambia.

### 1.9 Limitation of the Study

One of the major limitations was the fact that the study is restricted to one government entity, Zambia Development Agency (ZDA), which is a small entity in generating adequate sampling frame for accuracy. Also the fact that the entity being studied is a government agency, this meant that the research was likely to suffer bias due to the fact that Zambia Development Agency is a government institution therefore, responses maybe biased due to this fact. To resolve this, the researcher instead of relying solely on data provided by the Zambia Development Agency, the researchers also triangulated information from various sources. This

included interviews with SMEs themselves, industry experts, other government agencies, and relevant stakeholders to gain a more comprehensive understanding of the situation.

### **1.10 Operational Definitions**

**SME-SME** stands for small and medium size enterprise. As opposed to multinational conglomerates with locations around the world, SMEs are much smaller businesses that deal in various goods and services at a much smaller level (Matakala, 2019).

**Training-**Training is a process that helps SME owners to learn the necessary skills to perform their jobs effectively. Training is essential for SME owners because it equips them with the right knowledge and concepts needed to adapt and manage their business within the international business environment. SMEs play a major role in most economies, particularly in developing countries because they are many and employ a large number of people (Chisala, 2019).

**Exporting-**In global trade, exporting is the process by which companies from one country sell their goods and services to companies or consumers in a different country (Berko Obeng Damoah, 2018). Exports of goods and services consist of transactions in goods and services from one country to the other.

**International Business-**International business refers to the trade of goods, services, technology, capital and/or knowledge across national borders and at a global or transnational scale. It involves cross-border transactions of goods and services between two or more countries (Chisala, 2019).

**Capacity-** This is the ability of receiving and holding knowledge, and for SME owners it means they have the right knowledge needed to enter foreign markets and do business on an international level without mistakes or unnecessary costs through an effective understanding of how exporting works (Matakala, 2019).

**Sales performance** – This refers to the measurement and assessment of an individual's or a team's ability to achieve sales goals and objectives within a specified period. It involves evaluating the effectiveness and efficiency of sales efforts in generating revenue, acquiring and retaining customers, and meeting or exceeding sales targets. Sales performance is a critical aspect of a company's overall success, as it directly impacts its profitability and growth (Marr and Schiuma, 2003).

## **1.11 Summary**

The chapter has introduced the topic by explaining the thematic context of the research. The chapter has highlighted the objectives of the research, explained the background to the problem as well as justification of the research and the scope of the study. It explained the significance of the study, its limitation, strategies for mitigating the identified limitations of the study and scope of the research.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Overview**

In this section, the literature review explains the development of SMEs through training in export trading. Further, the chapter analyses research studies and findings ranging from the global level, regional and local context and the identified research gaps which the current study seeks to bridge and add new body of knowledge.

#### **2.1 SMEs and export trading**

MCTI (2003) states that “SMEs are classified as any private enterprise (owned by, or formed in, association with a citizen of nation e.g. Zambia) which is legally incorporated and complies with the following conditions”

1. The manager is the owner or a partner.
2. The enterprise maintains accounts in keeping with prescribed principles.
3. An enterprise whose total investment excluding land and buildings does not exceed K50,000 and in case of manufacturing and processing enterprise and K10,000 in case of a trading and service enterprise; an annual turnover that does not exceed K80,000 and employing up to 30 people.

Exporting is the initial step of the internationalization process (Paul & Mas, 2019), and is considered to be the least expensive and easiest mode of SMEs’ internationalization (Gupta & Chauhan, 2020). Small and medium-sized enterprises (SMEs) are becoming increasingly important players in international trade, currently accounting for 25-35% of world merchandise exports (World Trade Organisation, 2018; Francioni, Pagano, & Castellani, 2016; OECD, 2005). Exporting is the most common foreign market entry mode employed by SMEs, due to its being relatively low risk, with a high degree of flexibility and low commitment of resources (Leonidou & Katsikeas, 1996). For SMEs from small and open economies, international activities often represent the only path for substantial growth (Nummela, 2011); as Dana, Etemad, and Wright (2004: 19) argue, “understanding internationalisation is no longer an option for business success, [but] it is a prerequisite”.

Exporting is regarded as a means for SMEs to grow, increase competitiveness and survival (Haddoud et al., 2017). Unfortunately, SMEs in various economies experience disappointing

performance in export markets (Acikdilli et al., 2020; Hossain et al., 2022a; Mkenda & Rand, 2020; Paul, 2020). As a consequence, their contribution to total exports is low, and they often achieve less than expected (Gupta & Chauhan, 2020). For instance, in OECD economies, although SMEs represent 95 percent of all firms, they only generate around 20–30 percent of the total exports (OECD, 2019).

## **2.2 Global Perspectives**

Global perspective highlights literature on the study outside Africa and related research gaps.

### **2.2.1 Business expansion and diversification into new markets**

Governments, worldwide, pay special attention to SME development as part of their employment strategy. They view SMEs as best able to create jobs for the vast majority of those in the labour market. They are seen as a vital part of the solution to the unemployment challenge Gregory et. al. (2005). Morrison et al. (2003). This viewpoint is borne out by the empirical evidence of how many of the people in the labour market are employed by SMEs. "In support of this, Morrison et al. (2003: p. 417) stated, "Policy interest in the small business sector stems from its capacity to provide and grow employment at local levels."

Areti(2021) observes that Exporting serves as the primary mode of entry into foreign markets for small and medium-sized enterprises (SMEs), often marking the initial step towards internationalization. This approach is favored due to its relatively low risk, high adaptability, and minimal resource commitment (Leonidou & Katsikeas, 1996). It presents SMEs with the opportunity to maximize profits from existing products and services while exploring new avenues for innovation (Love & Roper, 2015). In the UK, SMEs constitute 99% of all private sector firms and employ around 60% of the private sector workforce (Barrett, Shahiduzzaman, & Kowalkiewicz, 2018). However, smaller firms within this category may encounter challenges related to limited managerial or marketing resources, financial constraints, or unfamiliarity with export markets (Kahiya, 2013). Additionally, robust domestic market opportunities or growth may deter smaller firms from pursuing exporting (Esteves & Rua, 2015), while uncertainties like currency fluctuations can further inhibit their focus on domestic markets.

Despite extensive research on the factors distinguishing exporters from non-exporters, the process through which small firm's transition from domestic market focus to export readiness remains elusive. Is the development of export capability a random occurrence, or does it stem

from strategic pre-export activities such as enhancing productivity and service quality (Bustos, 2011; Eliasson et al., 2012)? Empirical evidence indicates that exporters consistently exhibit higher productivity than non-exporters (Wagner, 2007; Wagner, 2012), a phenomenon known as the "export premium." This premium may result from self-selection of higher productivity firms into exporting or from productivity gains through export experience. While both processes may overlap, understanding their relative significance and mechanisms remains a focal point of interest (Love & Mansury, 2009; Wu & Miranda, 2015). However, research typically categorizes firms into exporters and non-exporters without distinguishing those actively preparing for export. Notably, limited research delves into firm behavior during the pre-internationalization phase (Tan et al., 2007; Martineau & Pastoriza, 2016).

Addressing this gap, this study explores the pre-export phase and the steps non-exporting SMEs must take to become export-ready. By differentiating between domestically-focused firms (DFFs) and export-capable firms not yet exporting. This specifically focused on export-capable firms that have not yet exported but have developed products or services suitable for export. This allows us to distinguish between learning-to-export and learning-by-exporting effects on productivity. We also investigate how innovation influences firms' export readiness and productivity, a dimension often overlooked in previous studies. Furthermore, we identify growth ambition as a key factor distinguishing export-capable firms from other non-exporters.

According to Chisala (2019), export trading in the global world is important for each SME in a globalized world to further develop and improve in the business internally and externally. In the United States for example, exporting has helped SMEs to engage with government to extend their business at global level through exporting (Thabani & Richard, 2020). Furthermore, government policy in the United States helps SMEs to leverage their business in globalization. Thus, SMEs in the United States work to identify the needs and wants to create their organization well to extend the world of internationalization (Fungwe & Kabubi, 2019).

Small and medium-sized businesses (SMEs) are essential to the growth of a nation in this fast-paced era of globalization. However, in competing worldwide with major corporations and multinational organizations, they encounter numerous difficulties. SMEs make a major contribution to the economy of each country. Their sheer number is overwhelming, as they speak to 98 percent or a more prominent measure of all ventures in numerous countries. They produce employment, make interest in plant and machinery, and make an investment through the production of goods and services (Chisala, 2019). The research gap identified is lack of an

investigation into the various entry modes available to SMEs when entering new markets, such as exporting, licensing, franchising, joint ventures, and foreign direct investment and the research could not assess the determinants of entry mode choice, their advantages, disadvantages, and implications for SME performance and sustainability.

SMEs also face restriction from government guidelines that specify certain criteria. These incorporate banning exporting beneath a specific size from getting to a help program, setting level expense charges for all organizations, and asking SMEs to consent to indistinguishable guidelines from substantial endeavors, making the expense of consistence proportionately costlier for littler firms (Matakala, 2019). While this research was very insightful, its research design and philosophical approach were not too clear to comprehend and be able to draw conclusions from the established variables within the study.

## **2.3 Regional Perspectives**

This section of the study seeks to highlight research studies from within Africa and relevant research gaps.

### **2.3.1 Compliance with international trade regulations**

Almost all African governments, including Kenya (2005), Tanzania (2003), Ethiopia (2008), South Africa (1996), and Zimbabwe (2003), have special policies for the development of SMEs based on their ability to alleviate unemployment. In support of this viewpoint, Rodrigues et.al (2003) observed that the importance of growth is also apparent in the preoccupation of the various administrations in developing an economic climate that favors corporate expansion. To this purpose, several policies have been devised with the goal of establishing a critical size that promotes competitiveness while lowering the death rate associated with small and medium-sized businesses. As a result, enterprise growth is regarded as a precondition for economic growth. SMEs are a vital tool for empowerment, equity, and redistribution, and are considered as both an indication of a solid economy and an essential condition for an economy to grow (Chamberlain and Smith, 2006).

Training is important for any entrepreneur to compete competitively at an international and global stage. The study could not bring forth training as an important element in compliance with international trade regulations. The present study focuses on training and its relationship with knowledge on compliance with international trade regulations for SMEs to compete at international market.

In Africa, particularly in Sub-Saharan Africa, SMEs generate around 10–15 percent of total exports, as opposed to the planned share of 30 percent, despite they account for 95 percent of all enterprises (International Trade Center, 2018). Likewise, Tanzania is not exempt from such problems. Despite SMEs accounting for 95 percent of all enterprises in Tanzania, their contribution to overall country exports is estimated to be between 10–15 percent (Edwin, 2019; Mkenda & Rand, 2020).

The gap in existence here is purely on the lack of analysis of the policy implications of regulatory compliance for SME development, export promotion, and economic growth and the need to assess the alignment between domestic regulatory frameworks and international standards, as well as the implications of trade agreements and trade policy reforms on SMEs' compliance obligations.

In South Africa, many SMEs are engaged in exporting. The South African government has put up policies, strategies and programmes in place with the intention of establishing an empowering environment for Small and Medium-sized Enterprises. To make this a success, a thorough understanding of the factors that might influence their export propensity has been done (Alharbi et al, 2015). The study could not go deeper to assess the impact of external factors such as global economic trends, geopolitical developments, and natural disasters on the export performance among SMEs which this study seeks to delve deeper into.

In other parts of Africa many SMEs are engaged in exporting, especially South Africa and Tanzania. The export platform Think Africa, for example, was founded together with the public export agency Centre de Promotion des Exportations (CEPEX), chambers of commerce, business associations and specialized consulting firms. It points businesses to market opportunities, especially in the five African target markets. The platform aims to coordinate the information, advisory and support services of its members (Alharbi et al, 2015).

Export trading is important for each SME export performance activity to further develop and improve in the business internally and externally. It will assist the SMEs with studying and draw in with government to refresh their association status to meet the administrative strategy to broaden their business in globalization in terms of trading. Government approach will help even SMEs to use their business to achieve globalization (Chisala, 2019). In conclusion, SMEs need to work to recognize the necessities and needs to make their association well to expand the universe of internationalization.

Jean and Cariou(2014) further found that Afirm may decide to expand its activities to foreign markets for various reasons: growth, long-term survival,profitability, economies of scale, supply chain security, business risk diversification, etc. In doing so, it exposesitself to greater challenges and to new risk factors (e.g., foreign exchange, cultural gaps, etc.) that will have to be grasped to better avoid or eventually mitigate them. For beyond the motives and benefits associated with the firm’s international expansion, the numerous challenges inherent in such a strategic move can not only compromise its international project, but also strike a blow to its domestic activities. Still, setting out to conquer foreign markets can turn out to be contra-indicated for certain firms not possessing certain assets or specific capacities to face the hurdles associated with this type of project. That is why several “export diagnostic”frameworks have emerged over the past few decades to evaluate the firm’s capacities for exporting.

Evaluating the capacities of the firm readying itself for export is recommended not only by researchers but alsoby most practitioners and international business consultants (Cavusgil & Nason, 1990). Some suggest identifying a reference market from which the firm’s export diagnostic can be carried out (Kumcu & Gill, 1995).Also, it is interesting to note that from the early days, experts in the field recommended the export diagnostic framework not only for assigning in a binary fashion (Go or No Go) the firm’s suitability for exporting, but also to bring into focus its options in terms of distribution channels within the selected markets. In fact, many internationalization models deal with selecting the right country or selecting the right entry mode as part of a two-pronged process (Meier & Meschi, 2010).

For SMEs, a broader set of international operations beyond exporting needs to be considered. Some research focuses on how alliances between SMEs may facilitate entry into new markets. These arrangements between two or more independent firms can be viewed as a way to share resources, outmatch competitors or limit risks but also as a way to ease access to foreign markets through a set of agreements, e.g., joint ventures, joint research and development or technology exchange agreements (BarNir & Smith, 2002). Entering foreign markets through an alliance or a partner’s network is seen at first as largely a reactive or opportunistic strategy leading to a geographically close market, but then to a broader and more structured international implantation over the years (Coviello & Munro, 1997).

These international networks between SMEs also appear to rely on a single person or a very small group of individuals able to develop and maintain contacts in various countries. Stabilizing these networks requires patience and constant negotiation between partners (Hara

& Kanai, 1994). But the problem is that in the wake of significant trends impacting international business (David, 2007) since the fall of the Berlin Wall (economic integration, growth in information technologies, convergence in consumption patterns, shortening of the product life cycle etc.), a gap has widened between the reality of international business and its conditions for success on the one hand, and the evaluation criteria used by export diagnostic frameworks on the other. In light of the growing number of SMEs that adopt internationalization strategies other than export (e.g., licensing, franchising, joint ventures, consortia, foreign direct investment etc.) and of SMEs that even in their startup phase broaden their activities onto the international scene (Oviatt & McDougall, 1994), this article proposed revisiting existing diagnostic frameworks and their avenues for improvement.

## **2.4 Local Perspective**

The local perspective on literature review delves around studies conducted in Zambia and the related research gap.

### **2.4.1 Entrepreneurial training as performance enhancement to SMEs**

Small and medium-sized enterprises (SMEs) in Zambia play an important role in production, employment and income. They represent 97% of all businesses in the country, 70% of gross domestic product (GDP) and 88% of employment. SMEs also fill a key role in society, as they tend to employ a large share of the most vulnerable segments of the workforce. Raising the competitiveness of these enterprises would help reduce the youth unemployment rate and increase the number of women in employment. This would also contribute to progress towards achieving the United Nations Sustainable Development Goals of reducing social exclusion and enhancing productive capacities (Gondwe, 2012). The research gap exist within the exploration of how training programs can be tailored to the specific needs and characteristics of SMEs operating in different industries, sectors, and markets and investigation into the importance of customizing training content to make them relevant and applicable to SMEs' export objectives and contexts.

The Zambia Development Agency (ZDA) trains entrepreneurs involved in various businesses in export trading. For the period 2022 and 2023, the Zambia Development Agency (ZDA) has trained over 130 Small and Medium Enterprises (SMEs) for export readiness with the intention of assisting them to embark on a successful journey of becoming ready to export. The training program is aimed at enhancing the participants' entrepreneurship skills, business management capabilities and to equip them with the necessary knowledge and tools to effectively utilize the

opportunities available in export markets allocated to them for entrepreneurial ventures and promote sustainable business growth. The training emphasizes the significance of such training programs in promoting sustainable local development and entrepreneurship.

Furthermore, the Zambia Export Development Fund will increase its financing support of such trades in line with Government's policy on trade and investment. That will increase access to markets, enhance prospects for forex earnings, and more jobs. (Thabani & Richard, 2019), SMEs in Zambia are essential to the economy, because they contribute significantly towards the socio-economic objectives, and they can be key drivers of economic growth, innovation and job creation. The Zambian government gives credit to the importance of SMEs, so much so that a new Ministry of Small Business Development was established in early 2021. The aim of the Ministry was to facilitate the promotion and development of small businesses in Zambia.

Zambia struggles with an alarmingly high unemployment rate which is partly exacerbated by a chronic shortage of skilled labour (Thabani & Richard, 2020). Against this background, government is aiming at putting policies, strategies and programmes in place with the intention of establishing an empowering environment for SMEs to expand. However, irrespective of the positive impact of SMEs in the socio-economy, SMEs are inevitably faced with many challenges, which may invariably hinder their sustainability (Mwika et al, 2019).

In Zambia, many SMEs have reported a failure to thrive in the Export markets due to the lack of very basic systems required to be in place before making it on the road to becoming a successful export business (Zambia Development Agency, 2019). Indeed, the characteristic of lack of key resources among SMEs – finance, technology, overseas market access, requisite managerial skills and knowledge - underscores the need for training and policy thinking to facilitate the increasingly observed trend toward the integration of SMEs into production/supply systems and value chains of larger firms and foreign affiliates.

A few additional barriers to SME export business are highlighted in a number of recent surveys, notably administrative and technical difficulties, exchange rate fluctuations, documentation and payment problems and foreign market competition (Fox & Bakhoun, 2019). However, it is suggested here that these barriers are essentially perceptual/psychological as their overall incidence tends to decrease as firms develop further experiential knowledge in international markets (Fungwe & Kabubi, 2019). Assess the capacity building needs of SMEs in terms of export readiness and capabilities.

The gap includes the exclusion of evaluating the effectiveness of export training programs, technical assistance, and mentoring initiatives in enhancing SMEs' export competencies which the present study seeks to employ.

This is consistent with the dominant theories for explaining SME internationalisation behavior, notably the stage of development models (Mwika et al, 2019) and the resource-based viewpoint (Chisala, 2019; Umar & Kunda-Wamuwi, 2019). This centrality of knowledge is also reinforced by research evidence on both global firms and accelerated internationalising SMEs, most of which tend to rely on critical knowledge assets or belong to the knowledge-based and knowledge intensive sectors (Umar & Kunda-Wamuwi, 2019; Umar & Kunda-Wamuwi, 2019).

Upgrading the skills of all types of workers, including managers, is central to firm performance in knowledge-based economies. The quality of management is particularly important for small and medium-sized enterprises (SMEs), which must be able to adapt quickly to evolving markets and changing circumstances, but which often have limited resources. Such constraints also put limits on their ability to engage in training, even though studies indicate that there is a positive correlation between the degree of management training and the bottom-line performance of an SME.

When it comes to export business, there is preliminary evidence that formal management training can reduce the failure rates of small firms, which are far more likely to fail than larger firms, particularly in the early years. For a variety of reasons, smaller firms are less likely than larger enterprises to provide external training to all grades of workers, including managers (Umar & Kunda-Wamuwi, 2019; Umar & Kunda-Wamuwi, 2019).

In addition to financial constraints, information gaps make smaller firms less aware of the benefits they would obtain from management training and few see training as a strategic tool (Fox & Bakhom, 2019). Due to higher turnover in managerial staff, small firms may not realize the same benefits from training investments as larger firms. And since training providers must group a number of SMEs together to realise scale economies, such generic training may be of more limited value to a small firm than to a larger firm receiving more targeted courses (Thabani & Richard, 2020). While this study examined the impact of training on SME export readiness, there's a gap in understanding the specific elements and delivery methods of training programs that are most effective. Therefore, this research focuses on identifying best practices

in curriculum design, delivery modes (e.g., workshops, online courses, mentorship programs), and duration of training to optimize outcomes.

For these reasons, and to realize the social benefits from high-performance SMEs, The Zambia Development Agency has implemented programmes to enhance SME management training. These must be geared to the profile of training provision in various countries, which highlight a prominent role for knowledge in the export market. Although publicly supported training programmes are often rated by the trainees, there is little empirical assessment of the impact of management training schemes on firm performance.

## **2.5 Role of Training in Export Readiness of SMEs**

Cavusgil and Nason (1990) identify two key dimensions of export readiness: organizational and product. Organizational readiness encompasses top management commitment, the availability of human and financial resources, and the soundness of the firm's organizational structure. Product readiness relates to product adaptation, design and positioning. Liesch and Knight (1999: 386) consider the issue of readiness by examining the role of information internalization in SMEs' internationalization processes, defining internationalization readiness as "being a function of its state of informedness on foreign market(s) and the means for entering them". This definition implies that the availability and accessibility of information and knowledge about foreign markets are crucial to the firm's preparedness for internationalization.

Competitiveness, export oriented management attitudes and international knowledge and experience and SMEs export performance towards Internationalization is often influenced by training and capacity which have greater influence. Competitiveness is referring to the competitive strategies which more valuable to quality and cost of the production plus marketing differentiation which highly influence SMEs export performance in Zambian region (Mwika et al, 2019).

This research could not explore more on the barriers that SMEs face in accessing export training programs, including awareness, affordability, accessibility, and relevance of training opportunities. Further, research could not investigate strategies to address these barriers and increase SME participation and engagement in export training initiatives amidst trainings that exists at times.

Export oriented management attitudes has an impact on the internationalization process of SMEs, which defines the culture of an organization in which the manager is part of (Chisala,

2019; Matakala, 2019). Training can be useful to promote export oriented and management attitude referred to the management decision making in terms of training assessment of issues and opportunities with SMEs export performance.

Training in export readiness ensures international knowledge and experience for SMEs mainly to develop and keep improved technology skills, human capitals, organization culture towards leveraging their business to internationalization and cost saving (Chisala, 2019; Matakala, 2019). Organization capabilities need to be upgraded towards to develop competitiveness to achieve internationalization performance. Hence, all the three variables said to have impact on SMEs export performance (Mwika et al, 2019).

Therefore, every government initiative should have greater influence over SMEs export performance. Then, internationalizations as a mediator between competitiveness, exports oriented management attitudes, and international knowledge and experience and SMEs export performance, proves to have greater impact and gives importance to export performance. Therefore, rising in the export performance of SMEs needed to reach countrywide purposes (Chisala, 2019; Matakala, 2019).

The existing literature has explored government efforts aimed at bolstering the export performance of small and medium-sized enterprises (SMEs) through training. However, there remains uncertainty regarding the extent to which government initiatives, such as institutional frameworks, cross-border cooperation, socioeconomic policies, and direct support for companies, can truly enhance SMEs' export capabilities and subsequently their competitiveness. This highlights the necessity for further research to ascertain how governments can more effectively promote the growth and advancement of SMEs. This can be achieved through proactive adoption of comprehensive policies that facilitate SMEs' pursuit of international business opportunities. Additionally, there is a need for rigorous examination of the role of effective institutions, administrative and financial reforms, as well as the formulation of suitable policies within regional economic blocs to empower SMEs for internationalization.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This section will explain the research design, area of the study, sample size and sampling techniques, data collection and methods of analyzing the data that will be collected.

#### **3.1 Philosophical approach**

An epistemological approach was used in the research. Epistemology refers to the nature and forms of human knowledge, i.e., how do we know what reality is (Cohen et al., 2007). It is important as it affects how the researcher may engage in a study and uncover knowledge in the context that they will investigate. Epistemology concerns itself with the nature and the scope of knowledge (Creswell & Poth, 2018). Simply put, it is concerned with how people come to know something and how people know the truth (Slevitch, 2011). The quantitative approach in the study stems from positivism and assumes that there is an objective, rationally organized reality which is independent of researchers' perceptions as well as those who participate in research (Needleman & Needleman, 1996). In qualitative research, reality is mind-dependent and socially constructed; therefore, people can understand it only through their perceptions and interpretations (Slevitch, 2011).

#### **3.2 Research Design**

This research employed a mixed-method approach, as suggested by Becker (2008). Utilizing a combination of qualitative and quantitative data, this approach facilitates a comprehensive exploration of the research subject. Dawadi (2021) also highlights the effectiveness of mixed methods research in conducting a thorough examination of research questions, addressing complexities that neither qualitative nor quantitative research alone can tackle. As emphasized by Schoonenboom (2017), the integration of both data types allows for a more nuanced understanding. Consequently, this study adopted a mixed-method approach for data collection and analysis to investigate the impact of strategic change and adaptation on organizational performance at Mopani Copper Mines PLC. By employing both approaches, the research aims to provide more profound insights into the subject matter.

Quantitative research focused on gathering numerical data and generalizing it across groups of people or to explain a particular phenomenon. Qualitative research was concerned with developing explanations of the social phenomena under study. It was a means for exploring and understanding the meaning SMEs owners ascribe to understand the effects of entrepreneurial training on their sales performance (Hancock, 1998). The goal of qualitative research was stated as “in-depth understanding” (Nastasi, 2004).

The study adopted a descriptive research design. The descriptive research design helped to provide answers to the who, what, when, where, and how questions associated with the research questions. Descriptive research was used to obtain information concerning the SMEs and Export Trading in Zambia.

### **3.3 Study Population**

The study population was 132 registered SMEs based in Lusaka who have been trained by Zambia Development Agency (ZDA) for the year 2022 and 2023. The population of SMEs will be collected based on information from ZDA database that have been trained on exportation. The respondents were SME owners who are also managers because they been trained by the Zambia Development Agency (ZDA) in export trading and therefore are considered to have the knowledge, experience and are familiar with the research topic under investigation.

### **3.4 Sampling methods**

Sampling refers to the selection of individuals, units, and/or settings to be studied. Sampling can also be defined as the statistical process of selecting a subset (called a “sample”) of a population of interest for purposes of making observations and statistical inferences about that population (Nastasi, 2004). The axioms of quantitative and qualitative research used probability and non-probability sampling respectively for selecting the sample size from the population. Probability sampling is a technique in which every unit in the population has a chance (non-zero probability) of being selected in the sample, and this chance can be accurately determined. While non-probability sampling is a type of sampling in which some units of the population have zero chance of selection or where the probability of selection cannot be accurately determined (Battaglia, 2008).

In terms of probability sampling, simple random sampling was used to select respondents for the study. In this technique, all participants of a population were given an equal probability (chance) of being selected. By selecting a small sample of individuals at chance from a larger

population, probability sampling attempted to ensure that each response was representative of the entire population.

Non-probability sampling purposive sampling was used to select the appropriate sample for the study. Purposeful sampling selects participants for a specific reason not randomly. The main objective was to produce a sample that could be considered representative of the population (Battaglia, 2008). With purposive sampling, the researcher selected the participants which are the SMEs that participated in the trainings for the period 2022 and 2023 which makes them useful and knowledgeable of the study under investigation.

### 3.5 Sampling procedure

All units of analysis required a purposive and simple random sampling due to the levels of expertise and the availability of the participants respectively. The sample size was determined using Yamane Taro (1967: 886) formula once the population or the sampling space was known:

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

Where: n=sample size

N=population

e=Margin of error (5% or 0.05)

1=Constant

$$n = \frac{132}{1 + 132(0.05)^2}$$
$$n = 99$$

The sample size will therefore be 99 respondents.

### 3.6 Data Collection methods

The data in this research shall be collected using primary and secondary data collection techniques.

## **Primary data**

Primary data was main source of information for this study and this is the information that will be collected using a questionnaire and an interview guide from the respondents. Primary data are raw data and are important because they provided empirical evidence on the topic under investigation. This is so because the targeted population comprised of individuals who provided accurate information on the topic.

## **Secondary data**

Secondary data helped to contextualize the topic and avoid duplication of the same study. Since secondary data are second hand information that has been analyzed before, it was collected from a number of sources which can broadly be classified into two categories namely published and unpublished sources. The secondary data was collected using desk research.

### **3.7 Data collection tools**

Quantitative approaches and qualitative approaches to data collection rely on structured data collection instruments that are used to collect information. Therefore, the study used a questionnaire and an interview guide to collect data quantitative and qualitative data respectively from the respondents. Questionnaires produce results that are easy to summarize, compare, and generalize.

The interview guide is designed to explore in depth information of a research interest. Open-ended questions were used in order to give the participants the opportunity to respond in their own words (permit free responses from participants). The interview guide were unstructured in order to allow the researcher to obtain more greater flexibility to restructure questions so as to obtain data based on the research objectives. The data was collected in the participant's setting (Davidson et al, 2002).

### **3.8 Data Analysis**

Data Analysis is the process of systematically applying statistical and/or logical techniques to describe and illustrate, condense and recap, and evaluate data (Davidson et al, 2002). Qualitative data was analyzed using descriptive analysis which is statistics that involved the use of tables and charts, and other measures of central tendency such as means and percentages as well as measures of dispersion. Descriptive analysis involves summarizing and

describing the main features of a dataset. It focuses on organizing and presenting the data in a meaningful way, often using measures such as mean, median, mode, and standard deviation. It provides an overview of the data and helps identify patterns or trends. The quantitative data collected from the respondents through the structured questionnaire will therefore be analyzed using a software program called Statistical Package for the Social Sciences (SPSS), version 20. As a statistical tool, SPSS software is reliable in analyzing data and it has minimum errors.

The qualitative data collect using the interview guides was analyzed using thematic analysis (Hancock, 1998 p.17). The researcher paid attention to manifest as well as latent contents of texts. Manifest analysis involves looking at what the text says thus dealing largely on giving descriptions on the visible and obvious components of the texts. This was shown by presenting reality in verbatim (quotation of part of speech or the whole speech). This was done in order to make sense or understand the phenomenon being studied. A detailed and verbatim account of participants' responses allows for a comprehensive analysis of language nuances, expressions, and contextual subtleties. Inclusion of the original spoken words facilitates a thorough exploration of themes and patterns, which is crucial in qualitative research.

### **3.9 Research Validity and Reliability**

Validity and reliability are two key criteria to evaluate the quality of your research. Validity refers to how well your research measures what it intends to measure, and how accurately it reflects the reality of the phenomenon you are studying. Reliability refers to how consistent and stable your research results are, and how well they can be replicated by other researchers (Smith, 2011).

Challenges in carrying out the research are expected. Among them is the difficulty in accessing information, much of which can be considered outside the public domain. Also because the study involves a government institution it might be hard to access some sensitive information by the owners of the SMEs and this will affect the research reliability in producing evidence in the findings as to what has caused the SMEs to delay optimizing opportunities in the export sector despite government training and capacity building. The mitigating factor of confidentiality and anonymity will be employed by the researcher so as to gain accurate information.

### **3.10 Research Ethics**

The study adhered to standard ethical considerations. Informed consent, voluntary participation, anonymity, data protection and confidentiality are imperative. Permission was sought from the organization before data is collected.

Respondent's details were not disclosed and their participation in the research was done through a signed consent form (Smith, 2011). Confidentiality was considered during data collected, it refers to a condition in which the researcher knows the identity of a research subject, but takes steps to protect that identity from being discovered by others. The researcher ensured that the name of the respondent were not be revealed and the researcher did not make mention who participated in the research. The researcher ensured no breach of confidentiality takes place as it undermines the trust and credibility of the research and in a wider perspective would make it difficult to engage in research in the future. Confidentiality ensured that the researcher's study was conducted in a responsible and ethical manner, avoiding harm, deception, coercion, or exploitation of participants. In essence, confidentiality in the relationship between researcher and research subject is to be regarded as an obligation for the researcher to act professionally. Confidentiality also represents an agreement that is formed between the researcher and participant, via the informed consent process (Berko Obeng Damoah, 2018).

Informed consent is another research ethic that the researcher employed. Its intent was that the participants could enter research freely (voluntarily) with full information about what it means for them to take part, and that they give consent before they enter the research. Informed consent is a procedure through which a competent subject, after having received and understood all the research-related information consents to participate in the research (Lumbala, 2019). Informed consent is the process of telling potential research participants about the key elements of a research study and that their roles are not forced onto them. Informed consent is often cited as the "cornerstone" of research ethics. In order to get consent for participation in research the researcher used an informed consent form. The research also explained the purpose of the study to participants, including what their role would be and how the research will work (Berko Obeng Damoah, 2018).

Anonymity is also part of the research ethics, which the researcher employed. Researchers employ a number of methods to keep their subjects' identity confidential. Providing anonymity of information collected from research participants means that either the researcher will not

collect identifying information of individual persons (e.g., name, address, email address, etc.), or the study cannot link individual responses with participants' identities. Both confidentiality and anonymity are ethical practices designed to protect the privacy of human subjects while collecting, analyzing, and reporting data. An idealized view of anonymity is that a person will never be traceable from the data presented about them (Smith, 2011).

## **CHAPTER FOUR**

### **DATA ANALYSIS AND FINDINGS**

#### **4.1 Overview**

This section summarizes the discoveries uncovered in the study, elaborating on the steps taken to analyze the coded data. The outcomes were presented using diverse formats like tables, charts, graphs, and pie charts. Rigorous scrutiny was applied to the questionnaire to ensure the data was appropriately presented, utilizing tables, percentages, and graphs whenever applicable. The findings are organized based on the study's objectives, incorporating both thematic and statistical analysis conducted using Excel and SPSS version 20.

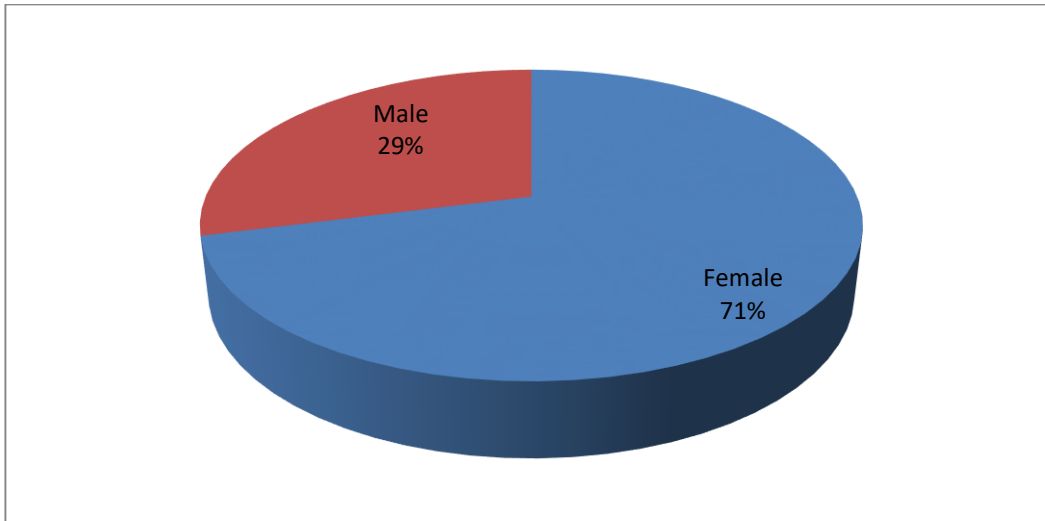
Data analysis was premised on the research objectives around investigating how entrepreneurial training by Zambia Development Agency (ZDA) improves performance of small and medium enterprises in export trading in Zambia, investigate if the trained SMEs have expanded into new markets or diversified their product/service offerings and to assess the level of understanding and compliance with international trade regulations and export requirements among trained SMEs.

#### **4.2 Gender**

Gender composition of the study obtained from within Lusaka's entrepreneurs trained by Zambia Development Agency of the surveyed 89 respondents encompassed aged groups from the employed indicated that female dominated the study a composition of 71% while male respondents accounted for 29%.

The above data indicates that the majority of the respondents were female folk. This data is further illustrated in a figure 1.

#### **Figure 1: Respondents gender composition**



*Source-field data (2023)*

#### **4.2.1 Age distribution**

The age of respondents across Lusaka’s entrepreneurs trained by Zambia Development Agency (ZDA) in table 1 below show the entrepreneurs in the age bracket between 36-45 dominate with a statistical record of 42.6% followed by those in the range between 26-35 years while 24.7%, those above 46 years accounted for 21.3%, and 18-25 years as the least with 11.2% respectively.

**Table 1: Age of respondents**

<b>AGE GROUP</b>	<b>FREQUENCY</b>	<b>PERCENTAGE (%)</b>
<b>18 – 25</b>	<b>10</b>	<b>11.2</b>
<b>26 – 35</b>	<b>22</b>	<b>24.7</b>
<b>36-45</b>	<b>38</b>	<b>42.6</b>
<b>46+</b>	<b>19</b>	<b>21.3</b>
<b>TOTAL</b>	<b>89</b>	<b>100%</b>

*(Source- field data 2023)*

#### 4.2.2 Respondent's education level

The level of education of entrepreneurs trained by Zambia Development Agency (ZDA) in the study was assessed and the results indicate the highest as having attained a secondary school level representing 52.80%, while entrepreneur's that had tertiary education account for 23.59%, upper primary level 21.3% and lower primary represent 2.24%. It is clear to state that most of the entrepreneur's into the export of goods and services have been to secondary school. Table 2 shows the level of education of entrepreneurs from the study.

**Table 2: Education level**

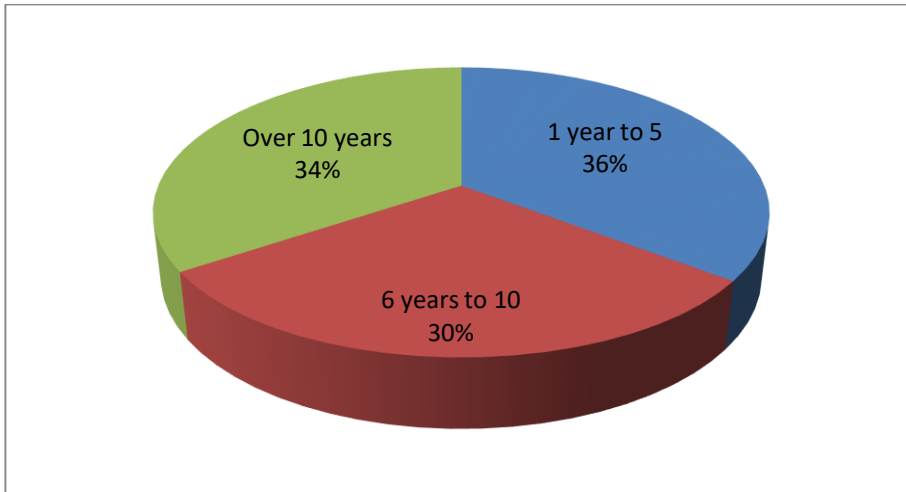
<b>Level of education</b>	<b>Frequency</b>	<b>Percent %</b>
No Formal education	0	0.00
Lower Primary (1-7)	2	2.24
Upper Primary (8-9)	19	21.34
Secondary	47	52.80
Tertiary	21	23.59
<b>Total distribution(respondents)</b>	<b>89</b>	<b>100%</b>

*(Source-field data 2023)*

#### 4.3 Years in business

The study assessed the number of years Small and Medium Enterprises (SMEs) had been in business. The results in figure 2 indicate 36% as those that had been in business between 1 to 5 years, 30% for those that had been in business between 6 to 10 years while those that had been in business for over 10 years accounted for 34%. It can further be reported from the results that the number of years in business is dominated by new entrants as those that had only been operational between 1 to 5 years ahead of those between 6-10 years and above.

**Figure 2: Number of years in business**



*(Source-field data 2023)*

#### **4.3.1 Years of SME operating**

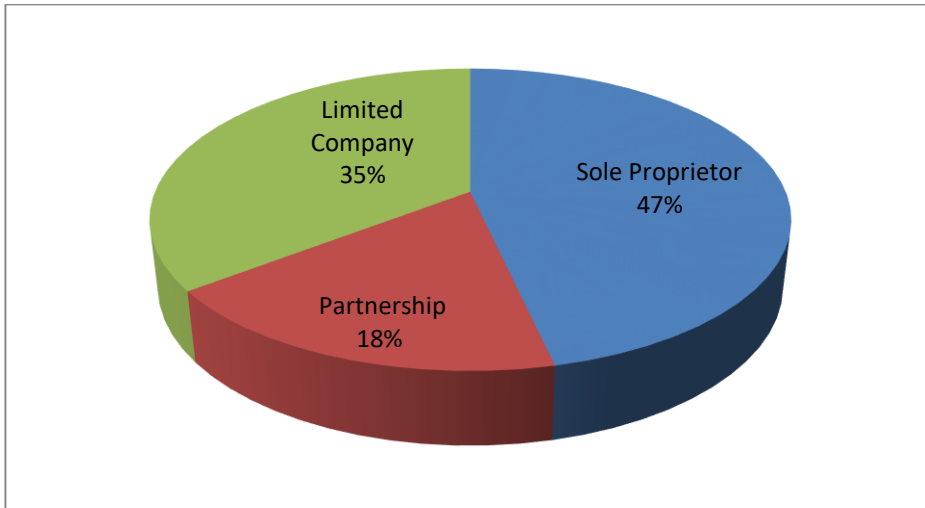
Findings from the interview guide reveal varied responses from the respondents. It was found that 5 entrepreneurs had been in business for over 10 years, 3 respondents had been in business between 6-10 years while the other 2 started their businesses and had been operation between for 5 years and below.

These findings reveal the majority of the respondents as being those that had been in business for 20 years.

#### **4.4 Business Ownership**

The research sought to understand the business ownership type which by definition is refers to the legal rights and responsibilities held by individuals or entities over a business entity and encompasses the possession, control, and management of the business, including its assets, operations, and decision-making processes. The study in Figure 3 below reveal that Small and Medium Enterprises(SMEs) in Lusaka in this study were dominated by sole proprietors whose statistical record stood at 47% followed by Limited companies at 35% and partnership form of business at 18% respectively.

**Figure 3: Business ownership type**



*(Source –field data 2023)*

#### **4.4.1 Industries SMEs have ventured into**

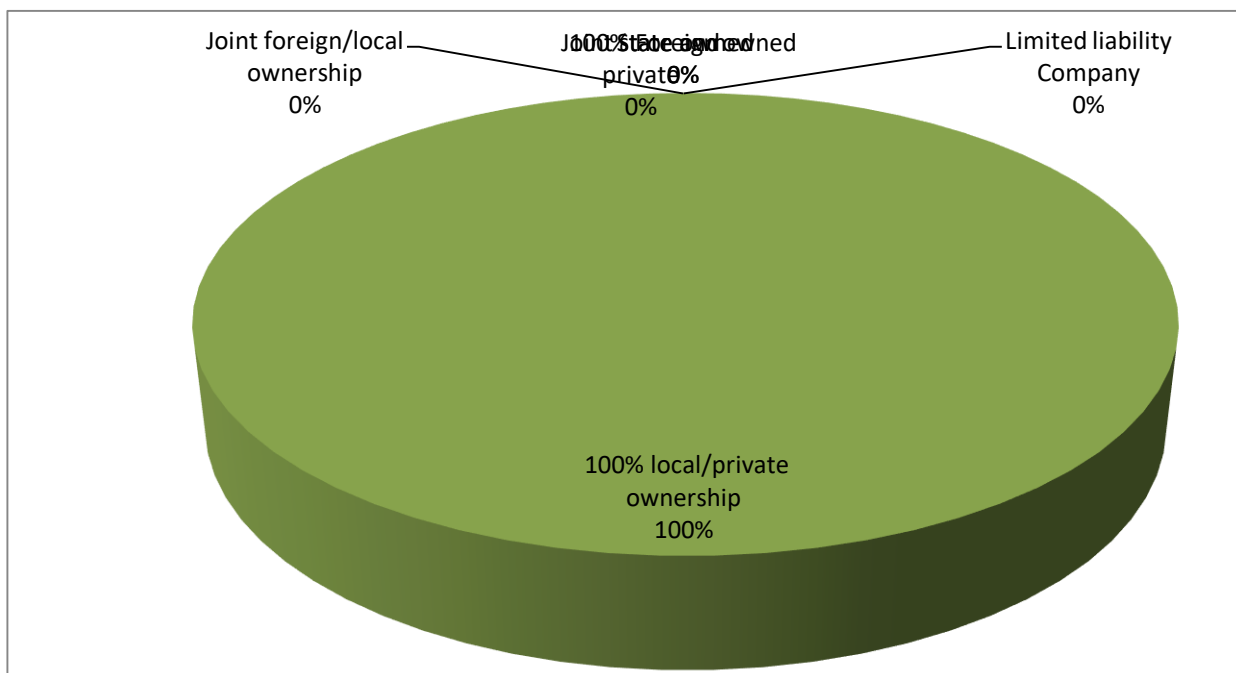
The findings from the interview guide, conducted with 10 SMEs trained by the Zambia Development Agency (ZDA), revealed a diverse array of businesses established in Zambia. Rather than categorizing them by ownership type, the focus was on the specific sectors and industries in which these SMEs have ventured. This approach highlights the breadth and depth of entrepreneurial activity across various sectors, showcasing the robustness of Zambia's business landscape.

Among the 10 respondents, one was involved in renewable energy, while the others were engaged in a wide range of industries. These included agriculture and agribusiness, manufacturing and processing, technology and innovation, as well as trade and commerce. This diversity underscores the entrepreneurial spirit and economic potential within Zambia, as demonstrated by the varied ventures pursued by the interviewed entrepreneurs.

#### **4.5 Business ownership structure**

The study in figure 4 below reports all Small and Medium Enterprises (SMEs) sampled were 100% Zambian local or private ownership structure. There was no representation on foreign owned businesses, state owned, joint foreign local ownership, joint state and private and Limited Liability Company

**Figure 4: ownership structure**



(source-field data 2023)

#### 4.6 Nature of business

The study sought to report the nature of businesses of entrepreneurship or Small and Medium Enterprises (SMEs), the results reveal from the 89 sampled respondents that most businesses are export and export oriented representing 59.59% while export only businesses held a statistical record of 35.35% with manufacturing and export sitting on 5.05%. The study therefore infer that most entrepreneurs have their nature of business whose nature is import and export only as indicated on table 3 below;

**Table 3: Nature of business**

Nature of Business	Distribution	Percent	Valid Percent	Cumulative Percent (%)
Import-export only	49	55.05	55.05	55.05
Export only	35	39.32	39.32	94.94
Manufacturing & export	5	5.61	5.61	100
Others:				
<b>Total</b>	<b>89</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

source-field data 2023)

#### 4.7 Product offering across all entrepreneurs

The study on the different types of products entrepreneurs export includes chili, recycled paper, fertilizer, soya beans, cooking oil, honey, wax, gemstone, garlic ginger and beef. Table 4 below shows that soya beans dominate with 20.2% on all the products that entrepreneurs deal in.

**Table 4: Product offering**

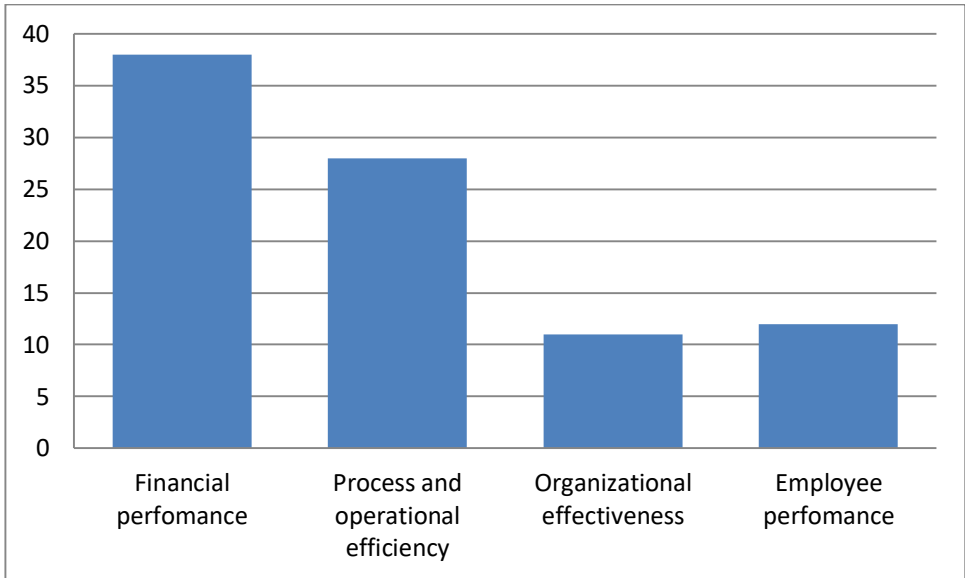
Products for export	Distribution	Percent	Valid Percent	Cumulative Percent (%)
Chili	8	8.9	8.9	8.9
Recycled paper	10	11.2	11.2	20.2
Fertilizer	9	10.1	10.1	30.3
Soya beans	18	20.2	20.2	50.5
Cooking oil	9	10.1	10.1	60.6
Honey	11	12.3	12.3	72.9
Wax	8	8.9	8.9	81.8
Gemstone	3	3.3	3.3	85.3
Gallic	3	3.3	3.3	88.6
Ginger	4	4.4	4.4	93.3
Beef	6	6.7	6.7	100
<b>Total</b>	<b>89</b>	<b>100%</b>	<b>100 %</b>	<b>100%</b>

*(Source-field data 2023)*

#### 4.8 Performance of SME's after the training

Zambia Development Agency has been conducting training on SMEs in order to enhance their financial performance, process and operational efficiency, organizational efficiency and employee performance metrics. The results in figure 5 indicate that 38 of the sampled 89 respondents reveal performance has manifested in their financial gain or growth ahead of process and operational efficiency at 28 responses, organizational effectiveness at 11 while employee performance at 12 respectively. Therefore, from the results financial performance has been seen to have increased after SME's trainings.

**Figure 5: Business performance**

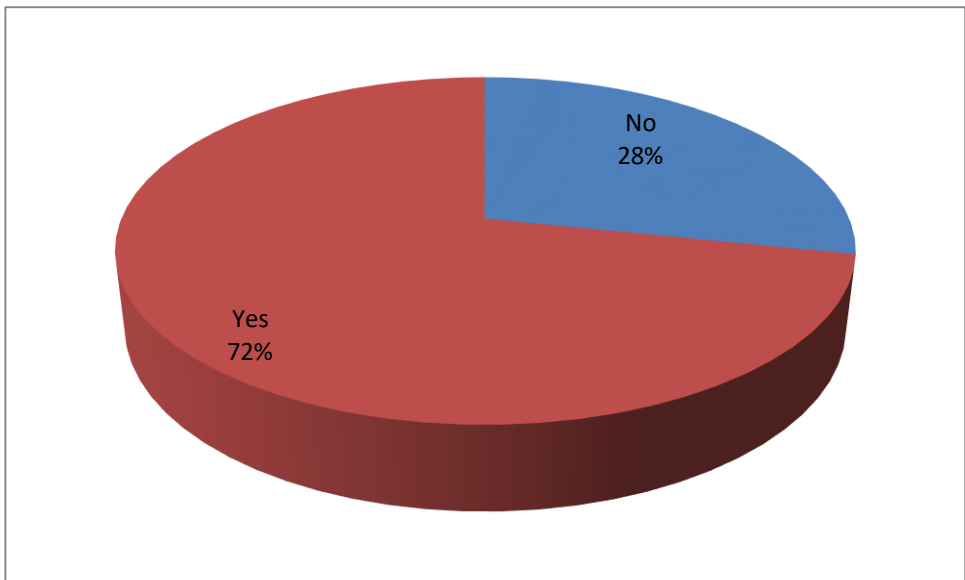


*(Source-field data 2023)*

**4.9 Received training or research material from ZDA in international engagement**

Figure 6 below shows whether or not SMEs had received training and research materials from Zambia Development Agency (ZDA). The results show 72% had received the training while 28% gave a ‘No’ responses. It can further be stated from the results indeed entrepreneurs had received training and research materials from the study results.

**Figure 6: Training and material received**



*(Source-field data 2023)*

**4.9.1 Lessons covered at SME training**

From the sampled 10 respondents by way of interview guides, the study found that a number of lessons around entrepreneurship trainings were covered to equip SMEs to being conversant with the export business requirements. The study results revealed the following as the lessons covered at ZDA trainings by all the 10 respondents;

#### *Understanding of Export Procedures and Regulations (G)*

The training content focused on providing knowledge and guidance on navigating the process of exporting goods/services from Zambia to international markets. Participants likely gained insights into the legal requirements, documentation, and procedures involved in exporting, enabling them to comply with regulations and successfully navigates the export process.

#### *Market Research and Identification of Export Opportunities (H)*

This aspect of the training emphasized the importance of market research in identifying new export opportunities. Participants likely learned techniques for analyzing markets, identifying consumer needs, and recognizing potential export markets. By applying these skills, participants can effectively identify and capitalize on export opportunities, thereby expanding their business reach.

#### *Product/Service Adaptation for International Markets (I)*

The content of this lesson likely focused on strategies for adapting products or services to meet the needs and preferences of international markets. Participants may have learned about cultural considerations, regulatory requirements, and market demands that influence product/service adaptation. By applying these strategies in their own business operations, participants can enhance their competitiveness and appeal to international customers.

#### *Trade Finance and Payment Mechanisms (J)*

This aspect of the training likely covered various financing options and payment mechanisms available at the international level. Participants may have learned about methods such as letters of credit, export financing, and international payment systems like SWIFT or PayPal. Understanding trade finance and payment mechanisms is crucial for SMEs engaging in international trade, as it ensures smooth transactions and mitigates financial risks.

#### *Export Documentation and Compliance (K)*

The training content on export documentation covered a range of essential documents required for exporting goods/services. Participants likely learned about documents such as the certificate of origin, packaging list, commercial invoice, insurance certificate, export license, bill of lading, and certificate of inspection. Understanding and adhering to export documentation and compliance requirements is vital for ensuring legal compliance and facilitating smooth export transactions.

Therefore to summarize the findings on the trainings covered by SMEs, the following were observed;

#### **4.9.2 Year training was conducted by ZDA**

Since the study was limited to those trained in 2022 and 2023, the study findings reveal those trained in the stated period had 100% response rate that they had been trained.

#### **4.10 Research conducted by respondents**

Respondents in the study sample revealed that they had conducted research in the course of their business operations. Table 5 below shows results of the nature of research conducted while 36 participants revealed they had done an analysis of the product and managers readiness to go overseas, 29 respondents revealed that they had conducted research on decisions regarding favorable markets to enter whereas 24 respondents had decided to do an analysis of organizational objectives in readiness for export business endeavors.

**Table 5: Research conducted by respondents**

<b>Research conducted by respondents</b>	<b>Distribution</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent (%)</b>
An analysis of favorable markets to enter	29	32.6	32.6	32.6
Analysis of business goals	24	26.9	26.9	59.5
an analysis of the product and managers readiness to go overseas	36	40.5	40.5	100
<b>Total</b>	<b>89</b>	<b>100%</b>	<b>100. %</b>	<b>100%</b>

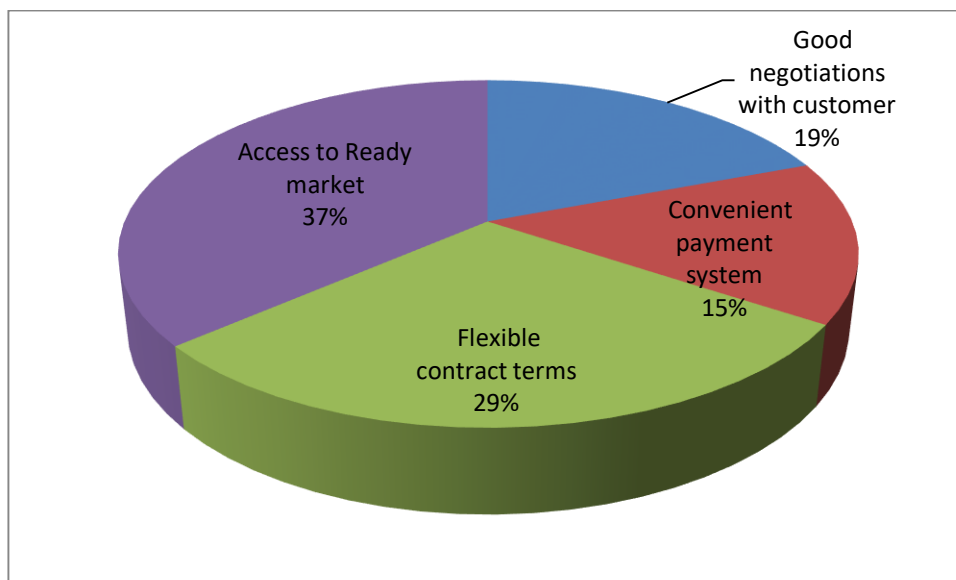
*(Source-field data 2023)*

#### **4.11 Main factors and benefits of having an international business presence**

Among the listed factors and benefits of having a business presence at international level as per the data collected includes flexible contract terms, convenient payment systems, good

negotiations with customers and access to ready market. Figure 7 below shows 37% being access to ready as the main benefits of having a business presence at international level while 29% represents flexible payment terms, 19% good negotiations with customer 15% convenient payment systems.

**Figure 7: factors and benefits international business presence**



*(Source-field data 2023)*

#### **4.11. Trained SME for export business**

Respondents were requested to state whether or not they had started exporting goods and services after being trained by ZDA. The results reveal 75.3% have not started exporting while 24.2% have already started exporting their goods and services abroad. This is illustrated in table 6 below;

**Table 6: SMEs position regarding export after being trained**

SME's position on whether they have started exporting after being trained	Distribution	Percent	Valid Percent	Cumulative Percent (%)
No	67	75.3	75.3	75.3
Yes	22	24.7	24.7	100
<b>Total</b>	<b>89</b>	<b>100%</b>	<b>100.%</b>	<b>100%</b>

*(Source-field data 2023)*

#### **4.11.1 Product exports**

The study conducted interviews with 10 respondents to explore whether SMEs had expanded into new markets. The findings showed that 80% of the SMEs had not yet expanded. Reasons cited for this included;

*Exchange rate fluctuation (2 responses)*

*Weakening of the local currency (3 responses)*

*Lack of financing options for start-up businesses (5 responses)*

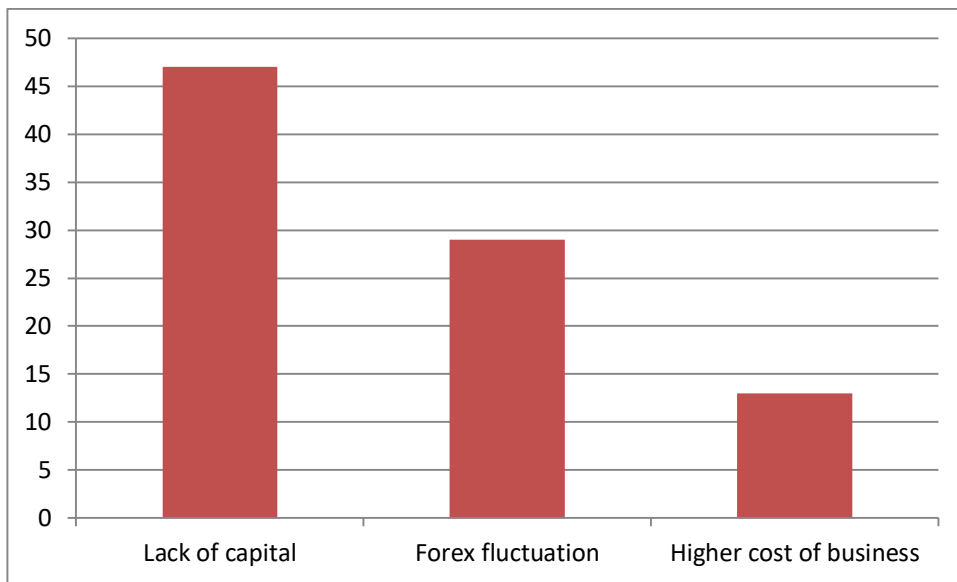
Despite facing these challenges, SMEs expressed their intention to operate locally until signs of economic stability emerged. These qualitative findings were found to be consistent with the quantitative responses gathered from the administered questionnaires and interview guides, indicating a correlation between the two data collection methods. Thus, it is evident that SMEs trained in 2022 and 2023 have not initiated exporting or expanding into international markets due to the identified challenges.

Furthermore, the study explored the potential export products considered by SMEs. Responses indicated a variety of potential export products, including soybeans, chili, honey, garlic, ginger, beef, and wax. However, SMEs expressed their readiness to pursue export opportunities once economic stability was achieved. These findings offer insights into SMEs' potential export offerings and their strategic approach to entering international markets in the future.

#### 4.12 Reasons for SME not engaged in exportation

The study as presented in figure 8 below reveal that arising from the SME's position regarding whether or not they had started exports after being trained, stated there were factors that had led to them not being able to export among them lack of capital representing 47 responses, foreign currency fluctuation with 29 responses while high cost of business stood at 13 responses.

**Figure 8: Reasons for SME not engaged in exportation**

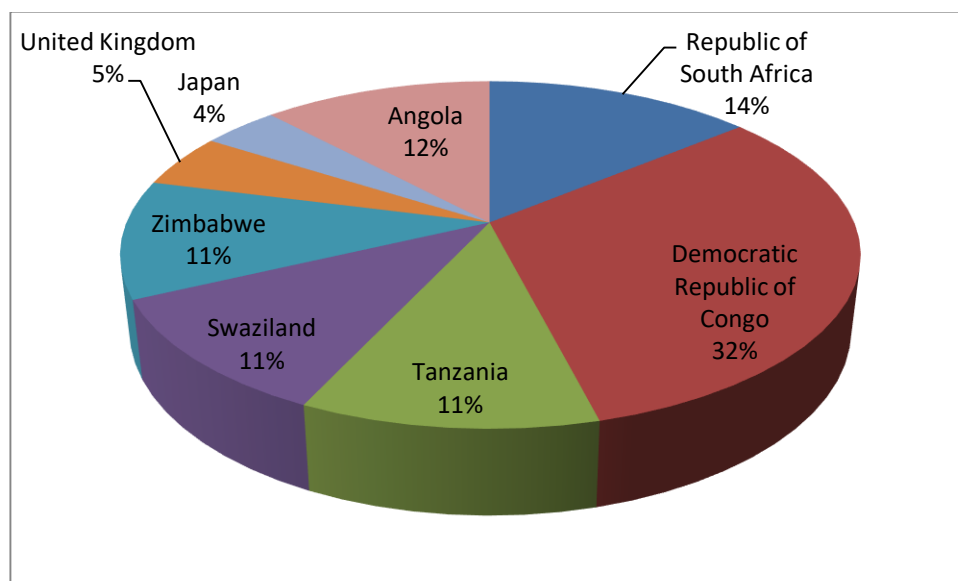


*(Source-field data 2023)*

#### 4.13 Export destinations(s) for Zambian products

Zambian SMEs export their goods and service to a number of countries after being trained by Zambia Development Agency (ZDA). Among the countries listed from the study were Japan, , Democratic Republic of Congo (DRC),United Republic of Tanzania, South Africa, Angola, Zimbabwe and Swaziland. The study results reveal Democratic Republic of Congo as the most popular export destination with 32%, Republic of South Africa with 14%, Angola 12% Tanzania, Swaziland and Zimbabwe with 11% ,United Kingdom (UK) on 5% while Japan with 4% respectively. The results are shown in figure 9 below;

**Figure 9: Export destinations(s) for Zambian products**



(Source-field data 2023)

#### 4.14 Products for exports by Zambian SMEs.

Study reveals a number of products Zambian entrepreneurs export. Results reveal Soya beans representing 20.2%,honey 12.4% and recycled paper on 11.2% while the rest of the products in table 7 below includes fertilizer 10.1%,cooking oil 10.1 %, chili 8.9%,wax 8.9%,gemstone 3.4% and Gallic at 3.4%.Ginger accounted for 4.5% and beef at 6.7%.

**Table 7: Products for exports by Zambian SMEs**

Products for export	Distribution	Percent	Valid Percent	Cumulative Percent (%)
Chili	8	8.9	8.9	8.9
Recycled paper	10	11.2	11.2	20.1
Fertilizer	9	10.1	10.1	30.2
Soya beans	18	20.2	20.2	50.4
Cooking oil	9	10.1	10.1	60.5
Honey	11	12.4	12.4	72.9
Wax	8	8.9	8.9	81.8
Gemstone	3	3.4	3.4	85.2
Gallic	3	3.4	3.4	88.6
Ginger	4	4.5	4.5	93.1
Beef	6	6.7	6.7	100
<b>Total</b>	<b>89</b>	<b>100%</b>	<b>100. %</b>	<b>100%</b>

(source- field data 2023)

#### 4.15. Proportion of activities that constitutes exports

The results in figure 10 below reveal 20%-40% 39 responses as being the exports of goods produced while 32 responses reveal goods less than 20% are exported. 12 respondents indicated they export between 40%-60% of their produce while 9 responses export between 60%-80% with 7 respondents submitting that between 80% -100% is what they export to the international market.

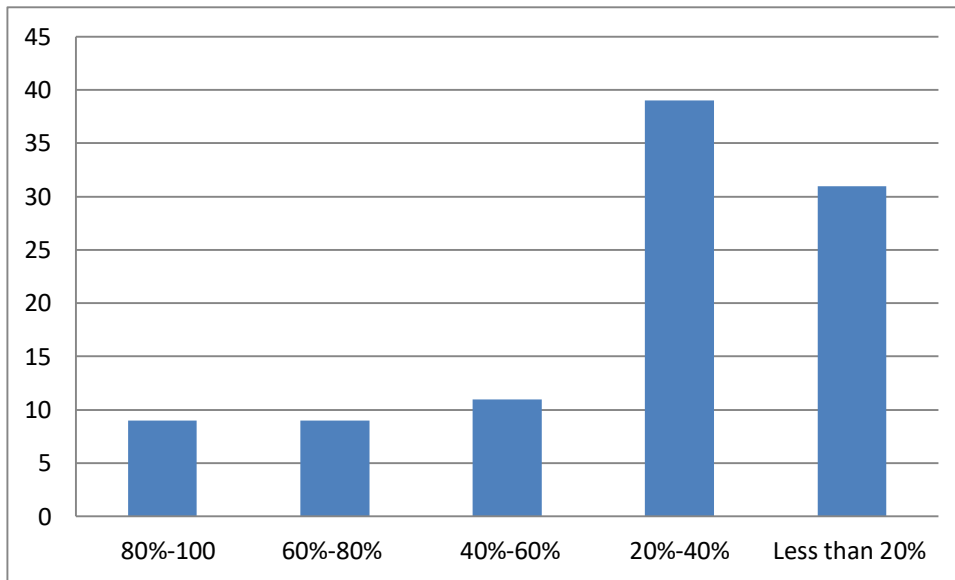
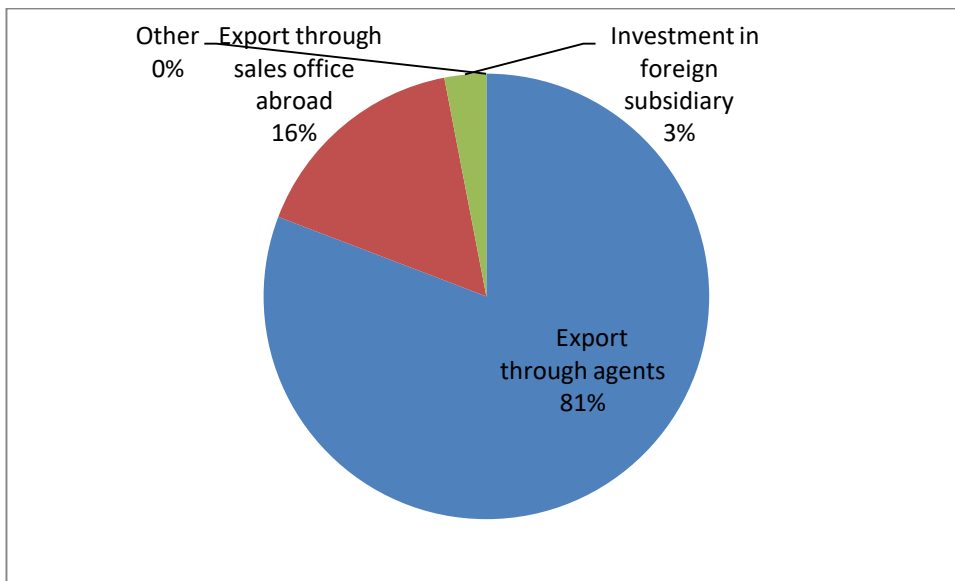


Figure 10: Proportion of activities that constitutes exports (source-field data 2023)

#### 4.16 Entry modes into international market

Entry into international market as per the revealed results indicate through sales office abroad, investment in foreign subsidiary and export sales agents. The results show export through sales agent as the major mode of entry into international market with 81% while export through sales office show 16% and investment through foreign subsidiary show 3% of the sampled 89 small scale enterprise. Figure 12 below shows the statistical records of the mode of entry into the foreign market.

**Figure 11: Entry modes into international market**

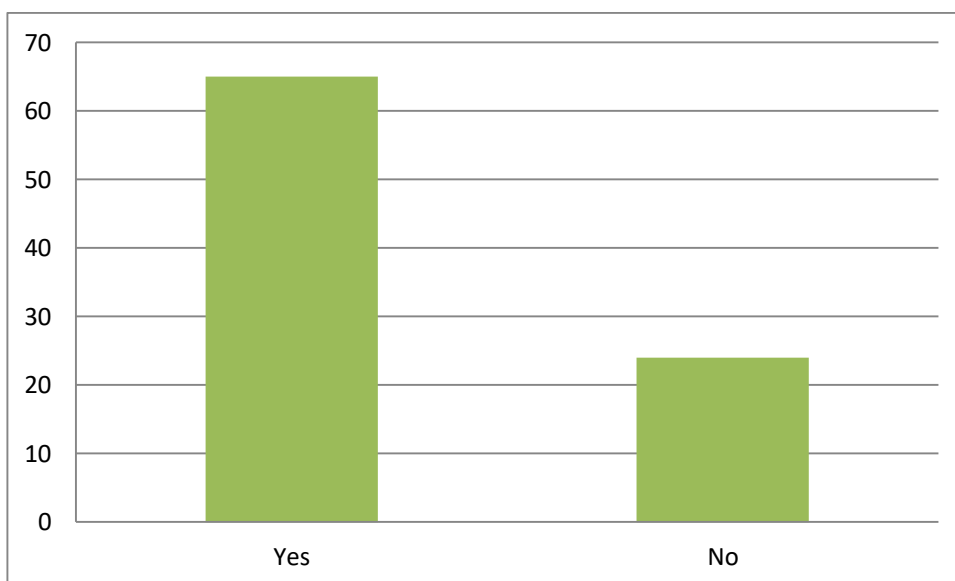


*(source-field data 2023)*

#### **4.17. Product manufacturing**

The study further inquired on whether or not Small and medium enterprise (SME) manufacturer their goods for export. Study results show that most of the goods are manufactured for export with a statistical representation of 65 responses out of 89 sampled while those who do not manufacture accounted for 24 responses. These results as indicated in figure 12 below reveal that entrepreneurs produce their own goods represent.

**Figure 12: Product manufacturing**



*(source-field data 2023)*

#### 4.18 Raw material acquisition for product development

Acquisition of raw material for production and as finished product in readiness for export market by entrepreneurs was reviewed and the results of the findings show that most of the raw materials are produced locally at 49.4% of the sample of 89 respondents. Entrepreneurs are of submit that raw materials are obtained through agents at 16.8%, purchased through other exporters at 10.1% while purchase of materials from the market place at 23.5%.From these record indicated on table 8 below conclusively reveal that the majority of the products along with the raw materials are obtained and produced locally.

**Table 8: Raw material acquisition for product development**

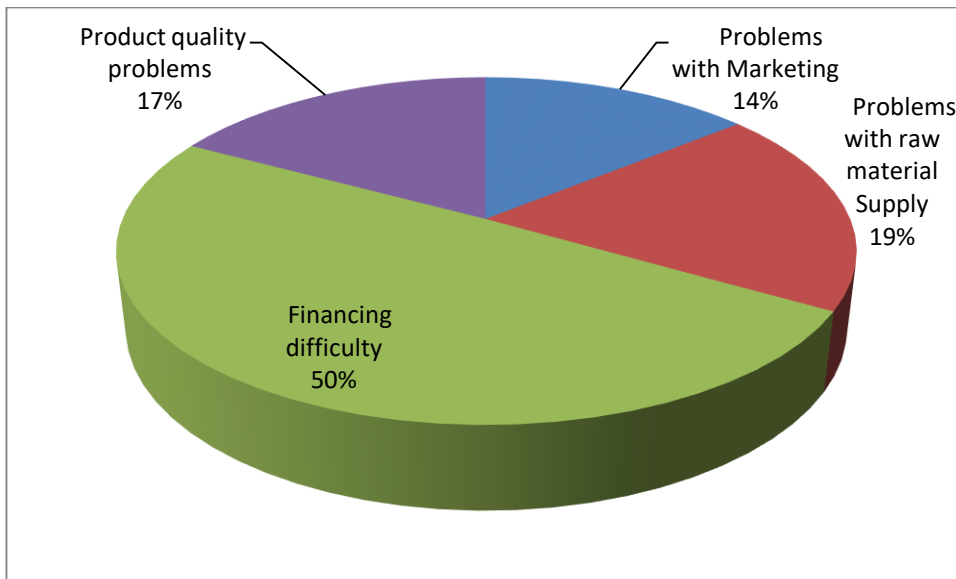
Source of raw material	Distribution	Percent	Valid Percent	Cumulative Percent (%)
Produce them locally	44	49.4	49.4	49.4
Purchase from other exporters	9	10.1	10.1	59.5
Purchase through agents	15	16.8	16.8	76.4
Purchase from market place	21	23.5	23.5	100
<b>Total</b>	<b>89</b>	<b>100%</b>	<b>100. %</b>	<b>100%</b>

*(Source-field data 2023)*

#### 4.19 Problems encountered in the exports business

Export business like any other business encounter problems in the course of moving goods from Zambia to abroad as per the responses by the respondents. The study results show that among the problems encountered are financing challenge, marketing problems, problems with raw material and product quality problem as the main results drawn from the 89 sampled respondents within Lusaka. Figure 13 below illustrate the findings and reveal that financing challenge is the most pressing problem with a statistical response of 50%, challenge with raw material at 19%,product quality problem 17% and marketing challenge at 14%.

**Figure 13: Problems encountered in the exports business**

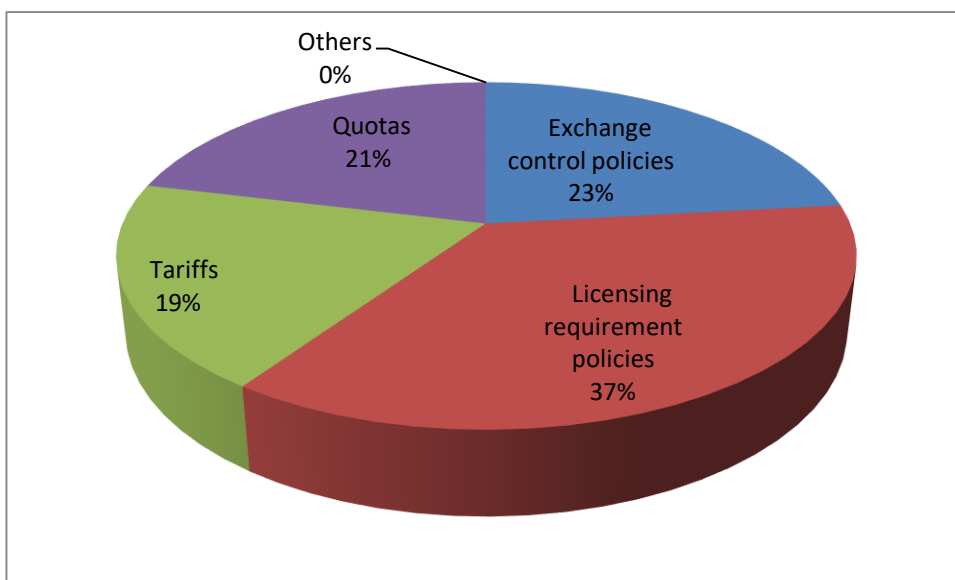


(Source-field data 2023)

#### 4.20 Legislative barriers encountered in international engagement

Figure 14 below show results that there are a number of barriers encountered in the export business or internal engagement among them licensing required policies representing 37%, exchange control policies at 23%, quotas at 21% and tariffs at 19% respectively.

**Figure 14: Legislative barriers encountered international engagement**



(Source-field data 2023)

#### **4.20.1 International trade regulations knowledge**

The study results from the administered interview guides found among other trade regulations SME's are aware of and from the findings out of 10 about 3 were not fully conversant with most of the regulations despite being trained. However, the results reveal a number of international regulation knowledge some which can be seen below;

##### *Awareness of World Trade Organization (WTO)*

SMEs demonstrated knowledge of the World Trade Organization (WTO) as an international organization regulating global trade and establishing trade rules among its member countries. They acknowledged the WTO's role in facilitating trade agreements and resolving disputes between member nations, underscoring its significance in shaping international trade dynamics.

##### *Understanding of Tariffs and Customs Duties*

SMEs exhibited awareness of tariffs as taxes imposed on imported goods by customs authorities, and customs duties as fees levied on goods entering or leaving a country. They recognized the variability of these tariffs and duties based on factors such as goods type, country of origin, and trade agreements in place, indicating a nuanced understanding of international trade dynamics.

##### *Knowledge on Non-Tariff Barriers (NTBs)*

SMEs' training encompassed knowledge on non-tariff barriers (NTBs), which include measures other than tariffs restricting or distorting international trade. They were familiar with NTBs such as quotas, licensing requirements, technical standards, and sanitary and phytosanitary regulations, highlighting their understanding of the multifaceted nature of trade regulations.

##### *Awareness of Trade Agreements*

SMEs were knowledgeable about trade agreements, recognizing them as facilitators of trade by reducing tariffs, eliminating trade barriers, and promoting cooperation in customs procedures, intellectual property rights, and investment. Examples such as free trade agreements (FTAs), regional trade agreements (RTAs), and preferential trade agreements (PTAs) were cited, indicating familiarity with various forms of trade agreements.

### *Understanding of Rules of Origin*

SMEs demonstrated understanding of rules of origin, recognizing their importance in determining the country of origin of goods for tariff and trade preference application. They were aware of the criteria establishing product origin based on factors like local content percentage or value-added, showcasing comprehension of rules governing international trade.

### *Knowledge on Intellectual Property Rights (IPR)*

SMEs exhibited awareness of intellectual property rights (IPR) rules at the international level, citing agreements like the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). They acknowledged the standards set for protecting and enforcing intellectual property rights, encompassing patents, trademarks, copyrights, and trade secrets.

### *Familiarity with Trade Remedies*

Respondents showcased familiarity with trade remedies, which address unfair trade practices like dumping and subsidies. They recognized measures such as anti-dumping duties, countervailing duties, and safeguards as mechanisms to counteract these practices, highlighting awareness of strategies for maintaining fair trade practices.

### *Understanding of Customs Procedures*

SMEs expressed knowledge of customs procedures governing the import and export of goods, including clearance procedures, documentation requirements, and inspection processes. They acknowledged international conventions like the International Convention on the Simplification and Harmonization of Customs Procedures, indicating awareness of efforts to streamline and harmonize customs procedures globally.

### *Application of Trade Regulations*

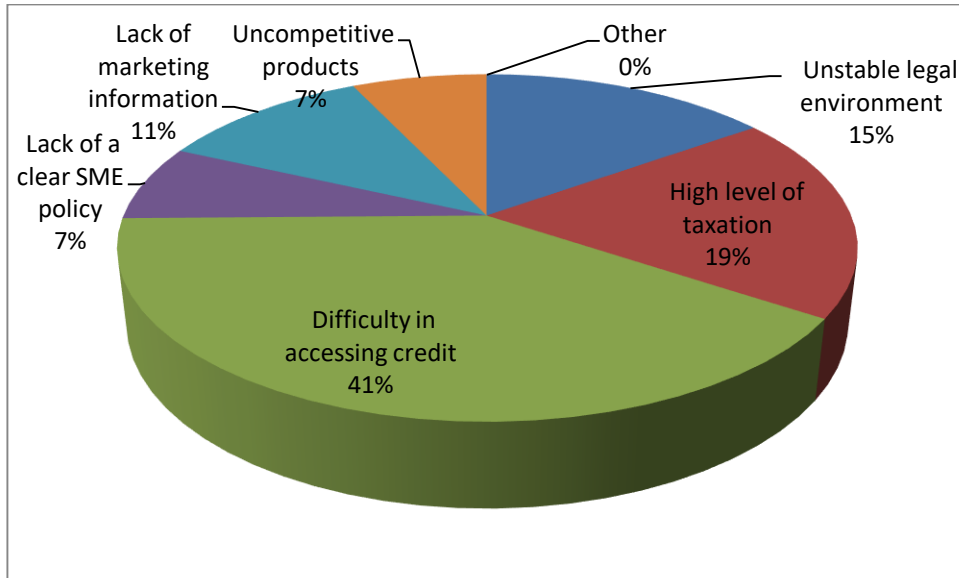
While SMEs acknowledged the necessity of complying with trade regulations and requirements during exports, they indicated a readiness to adhere to these regulations once they commenced exporting. They recognized non-compliance as potentially leading to restrictions on exporting goods, emphasizing the importance of regulatory compliance for international trade activities.

## **4.21 Barriers to the development of SMEs in Zambia**

This study inquired on the barriers to development of SMEs in Zambia. Results from findings reveal 41% as difficulty in accessing credit, 19% higher tax charges, unstable legal

environment 15%, 11% as lack of marketing information, lack or inadequate SME policy at 7% and lastly uncompetitive products at 7% respectively. These findings are shown in figure 15 below;

**Figure 15: Barriers to the development of SMEs in Zambia**

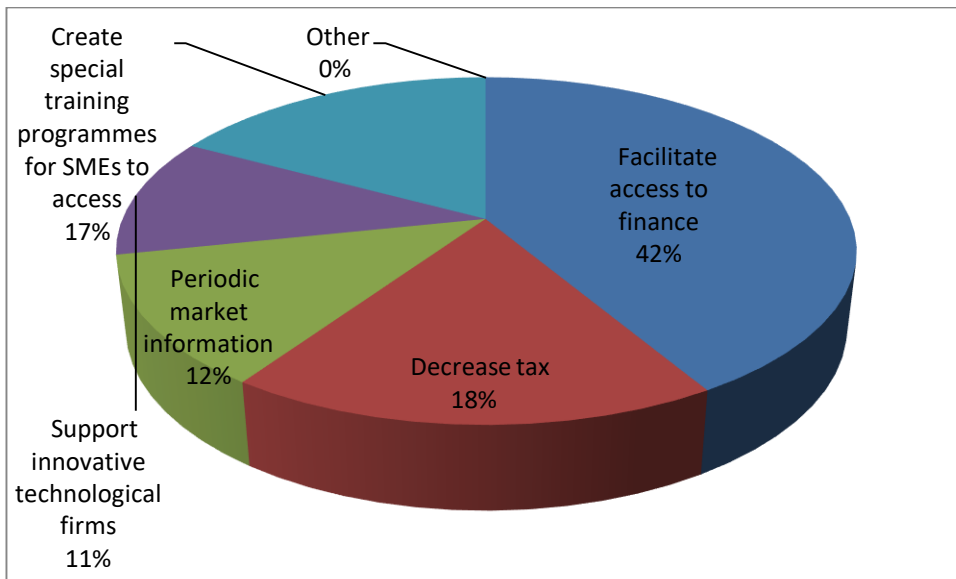


(Source-field data 2023)

#### 4.22 Measures ZDA should adopt to improve SME exporting in Zambia

Figure 16 below show the results as measures which Zambia Development Agency should adopt in order to improve SME in the export business in Zambia as per the study’s statistical results. Respondents reveal that one of the strategies to improve SME is through facilitation of access to finance whose response was 42%, decrease in tax levy 18%, creation of a special training programs for SMEs to access at 17% while support for innovative technological firms stood at 11%.

**Figure 16: Measures ZDA should adopt to improve SME exporting in Zambia**



*(Source-field data 2023)*

#### **4.23 Chapter summary**

This chapter discussed data analysis and findings collected from the study sample of 99 Small and Medium Enterprise (SME) trained by Zambia Development Agency (ZDA) within Lusaka. Data was presented in the form of pie charts, bar charts and tables from the returned and completed research questionnaire and interview guide administered to the entrepreneurs. Further, the chapter revealed findings from the interview guides to complete findings from the administered questionnaire.

## **CHAPTER FIVE**

### **DISCUSSION OF FINDINGS**

#### **5.1 Overview**

This chapter discusses the findings of the study vis-à-vis the specific objectives of the study. The general objective of this study was to assess the effects of entrepreneurial training on sales performance of selected trained SMEs. The specific objectives which this research addresses in this chapter include investigating how entrepreneurial training by Zambia Development Agency improves performance of small and medium enterprises in export trading in Zambia, investigate if the trained SMEs have expanded into new markets or diversified their product/service offerings and to assess the level of understanding and compliance with international trade regulations and export requirements among trained SMEs.

#### **5.2 Entrepreneurial training SME's export trading**

The study findings reveal that Zambian SMEs export their goods and service to a number of countries after being trained by Zambia Development Agency (ZDA). Findings from the interview guides reveal the following as the lessons covered at ZDA trainings;

The qualitative analysis of the responses indicates a thorough and comprehensive training program aimed at equipping participants with essential knowledge and skills for engaging in international trade. Below is a breakdown of the analysis for the lessons as trainings covered by SMEs at ZDA.

##### *Understanding of Export Procedures and Regulations (G)*

The response highlights that the training provided participants with knowledge and guidance on navigating the process of exporting goods/services from Zambia to international markets. It suggests that the content focused on legal requirements, documentation, and procedures involved in exporting, enabling participants to comply with regulations and successfully navigate the export process. This indicates a practical and hands-on approach to understanding export procedures and regulations, emphasizing the importance of compliance and legal adherence.

##### *Market Research and Identification of Export Opportunities (H)*

This aspect of the training is portrayed as emphasizing the significance of market research in identifying new export opportunities. Participants were likely introduced to techniques for

analyzing markets, identifying consumer needs, and recognizing potential export markets. The response suggests a strategic approach to market analysis, focusing on understanding consumer behavior and market dynamics to effectively identify and capitalize on export opportunities. It highlights the importance of strategic decision-making based on thorough market research.

#### *Product/Service Adaptation for International Markets (I)*

The response suggests that the training content focused on strategies for adapting products or services to meet the needs and preferences of international markets. Participants likely learned about cultural considerations, regulatory requirements, and market demands influencing product/service adaptation. This indicates a nuanced approach to product/service adaptation, taking into account cultural sensitivities and regulatory frameworks. The emphasis on enhancing competitiveness and appealing to international customers reflects a strategic approach to international market expansion.

#### *Trade Finance and Payment Mechanisms (J)*

This aspect of the training is depicted as covering various financing options and payment mechanisms available at the international level. Participants were likely introduced to methods such as letters of credit, export financing, and international payment systems like SWIFT or PayPal. The response highlights the importance of understanding trade finance and payment mechanisms for mitigating financial risks and ensuring smooth transactions in international trade. It suggests a practical approach to financial management in the context of international trade.

#### *Export Documentation and Compliance (K)*

The response indicates that the training content on export documentation covered a range of essential documents required for exporting goods/services. Participants likely learned about documents such as the certificate of origin, packaging list, commercial invoice, insurance certificate, export license, bill of lading, and certificate of inspection. The emphasis on understanding and adhering to export documentation and compliance requirements underscores the importance of legal compliance and facilitating smooth export transactions. It suggests a practical approach to managing documentation and regulatory compliance in international trade.

Overall, the qualitative analysis portrays a well-rounded and practical training program that addresses key aspects of international trade, including legal compliance, market analysis, product adaptation, financial management, and documentation. It highlights the importance of strategic decision-making and practical skills development in enabling SMEs to succeed in international markets.

Among the factors and benefits of having a business presence at international level after being trained by Zambia Development Agency (ZDA) as per the data analyzed and reviewed includes flexible contract terms, convenient payment systems, good negotiations with customers and access to ready market. This illustrates that benefits exist and the researcher is of the view that SMEs must tap into these under-served markets so as to improve on their sales performance and business growth. From the trainings that entrepreneurs benefit from has potential business growth potential provided access to capital is available.

Further, these findings are in line with those found by Chisala (2019) who asserts that export trading in the global world is important for each SME in a globalized world to further develop and improve in the business internally and externally. In the United States for example, exporting has helped SMEs to engage with government to extend their business at global level through exporting (Thabani & Richard, 2020). Furthermore, government policy in the United States helps SMEs to leverage their business in globalization. Thus, SMEs in the United States work to identify the needs and wants to create their organization well to extend the world of internationalization (Fungwe & Kabubi, 2019). These findings are in line with the latest observations regarding the 89 responses obtained in Lusaka by the research at Zambia Development Agency.

In today's globalized economy, small and medium-sized enterprises (SMEs) play a vital role in driving economic growth and fostering international trade. However, SMEs often face numerous challenges when venturing into export markets, including limited resources, lack of market knowledge, and regulatory complexities. Entrepreneurial training has emerged as a powerful tool to address these challenges and enhance SME performance in export trading. This aspect explores the implications of entrepreneurial training on SMEs' performance in export trading, highlighting its role in improving knowledge, decision-making, market reach, competitiveness, risk management, compliance, and networking.

Entrepreneurial training provides SMEs with essential knowledge and skills needed to navigate the complexities of international trade. By imparting insights into export procedures, market

research, product adaptation, trade finance, and documentation compliance, training equips SMEs with the foundational knowledge required for successful export trading. Armed with this knowledge, SMEs can make informed decisions and effectively manage their export operations. Entrepreneurial training empowers SMEs to make strategic decisions regarding export opportunities, market entry strategies, product adaptation, and financial management. Through market research and identification of export opportunities, SMEs can identify promising markets and tailor their offerings to meet consumer needs. By understanding trade finance and payment mechanisms, SMEs can mitigate financial risks and ensure smooth transactions in international trade. This enhanced decision-making capability enables SMEs to capitalize on export opportunities and maximize their competitiveness in global markets.

One of the key benefits of entrepreneurial training is its ability to expand SMEs' market reach in export trading. By providing insights into market dynamics and consumer preferences in international markets, training enables SMEs to identify and capitalize on new export opportunities. Through strategic market analysis and product adaptation, SMEs can differentiate themselves from competitors and penetrate new markets, thereby diversifying their revenue streams and enhancing their long-term growth prospects. Entrepreneurial training fosters innovation and adaptability among SMEs, enhancing their competitiveness in global markets. By learning strategies for product adaptation, market differentiation, and value proposition development, SMEs can stay ahead of the curve and meet evolving consumer demands. This increased competitiveness enables SMEs to carve out a niche in international markets and establish themselves as industry leaders, driving sustainable growth and profitability.

Understanding trade finance and payment mechanisms is essential for SMEs to mitigate financial risks associated with international trade. Entrepreneurial training equips SMEs with the knowledge and skills needed to effectively manage financial risks and ensure business continuity. By leveraging financing options, hedging strategies, and payment systems, SMEs can minimize exposure to currency fluctuations, payment delays, and other financial uncertainties, thereby safeguarding their financial interests and enhancing their resilience in volatile market conditions. Compliance with export regulations and documentation requirements is said to be critical for SMEs to facilitate smooth export transactions and avoid legal issues. Entrepreneurial training provides SMEs with the knowledge and tools needed to navigate export documentation and comply with regulatory requirements effectively. By understanding export procedures, documentation standards, and compliance protocols, SMEs

can streamline their export operations, reduce administrative burdens, and enhance their reputation as reliable trading partners in global markets.

Entrepreneurial training often facilitates networking opportunities for SMEs to connect with other businesses, industry experts, government agencies, and international trade organizations. Through networking and collaboration, SMEs can gain valuable insights, access new resources, forge strategic partnerships, and explore joint export opportunities. This collaborative approach not only enhances SMEs' competitiveness but also fosters a sense of community and mutual support within the export trading ecosystem.

Therefore, entrepreneurial training has emerged as a catalyst for driving SME performance in export trading by enhancing knowledge, decision-making, market reach, competitiveness, risk management, compliance, and networking. By equipping SMEs with the skills and resources needed to succeed in international markets, training enables them to seize export opportunities, expand their market presence, and thrive in the global marketplace. As SMEs continue to play a pivotal role in driving economic growth and fostering international trade, the importance of entrepreneurial training in empowering SMEs for export success cannot be overstated.

### **5.3 Expansion into new markets or diversified product/service offerings**

After attaining trainings by ZDA, SMEs enter into international market as per the revealed results through sales office abroad, investment in foreign subsidiary and export sales agents. The results show export through sales agent as the major mode of entry into international market with 81% while export through sales office show 16% and investment through foreign subsidiary show 3% of the sampled 89 small scale enterprise. This is highly linked to competitive advantage theory which has been used in this research which integrates competitive advantage theory to analyze the competitive dynamics of SME export business in Zambia, including the strategies and actions of domestic and foreign competitors. Further, the theory links to the exploration of how Zambian SMEs could leverage their unique resources and capabilities to differentiate themselves from competitors, establish market positions, and defend against competitive threats. (Porter, 1980)

While it has been revealed that among the listed factors and benefits of having a business presence at international level as per the data collected includes flexible contract terms, convenient payment systems, good negotiations with customers and access to ready market.

The study results show that indeed entrepreneurs have received training and related research materials from Zambia Development Agency (ZDA) with 72% while 28% where of the view that training was not adequate. Trainings and readiness for export market indicate SME's readiness to expand into new market and diversification in order to spread the risk in business. While, it is evident that training plays a key role in idea generation and information gathering regarding which market to penetrate the stated factors that have led to them not being able to export among them lack of capital representing 47 responses out of 89 respondents, foreign currency fluctuation with 29 responses while high cost of business stood at 13 responses. Business expansion is highly dependent on availability of capital or credit, foreign exchange or currency stability and restrictions placed in the board as protectionism.

It is evident that results reveal 77.8% have not started exporting nor expanding or diversifying their portfolios across borders even after being trained while 22.22% have already started exporting their goods and services abroad. Therefore, expansion has not yet materialized due to a number of factors among them listed above as per the data collected and analyzed in the previous chapter. Failure of exporting even after trained by ZDA is heavily linked to lack of resources for the export market. This assertion is highly associated with resource based theory which focuses on the internal resources and capabilities of a firm as the primary sources of sustained competitive advantage. (Barney,1991).

It has been observed from the interview guide response rate on whether or not SMEs had expanded into the new markets revealed that 80% had not yet expanded. Reasons advanced were that of exchange rate fluctuation, weakening local currency Kwacha, and lack of financing options for start-up businesses. They however stated they would be operating locally for a time being until the signs of economic stability show. These findings correlate with the findings from the administered questionnaire on the similar inquiry.

It is evident that exportation marks the initial phase of the internationalization process (Paul & Mas, 2019) and is widely regarded as the most cost-effective and straightforward approach for Small and Medium-sized Enterprises (SMEs) to enter international markets (Gupta & Chauhan, 2020). SMEs are increasingly significant contributors to global trade, presently responsible for approximately 25-35% of worldwide merchandise exports (World Trade Organization, 2018; Francioni, Pagano, & Castellani, 2016; OECD, 2005). Exportation stands as the prevailing method for SMEs to penetrate foreign markets, primarily due to its relatively low risk, high

flexibility, and minimal resource commitment (Leonidou & Katsikeas, 1996). Therefore, these findings correlate with the present findings on the study.

Expansion into new markets or diversified product or service offerings holds significant implications for SMEs, ranging from revenue generation and risk mitigation to competitive advantage and market adaptation. By strategically pursuing growth opportunities and innovating their business models, SMEs can position themselves for long-term success and sustainability in dynamic market environments.

#### **5.4 Level of understanding and compliance with international trade regulations and export requirements among trained SMEs.**

Study results show that there are a number of barriers encountered in the export business or internal engagement among them licensing required policies representing 37%, exchange control policies at 23%, quotas at 21% and tariffs at 19% respectively. Arising from the compliance requirements with trade regulations for export controls, SMEs are fully aware of the compliance and requirements for export business exposition and that a number of policies have developed such as training to ensure Zambian SMEs compete competitively at international level.

Therefore, entrepreneurs are fully aware of the compliance with international trade regulations and export requirements. These usually come as part of training and entrepreneurs are trained in such a way that they are aware of these international trade regulations.

Results from the 10 interview guides further reveal that SMEs are fully aware of the international regulations and export requirements. In today's globalized economy, small and medium-sized enterprises (SMEs) play a crucial role in driving economic growth and fostering international trade. However, navigating the complex landscape of international trade regulations can be challenging for SMEs. This therefore explores how SMEs' awareness and understanding of international trade regulations can enhance their performance in global markets. SMEs demonstrated a solid awareness of international organizations such as the World Trade Organization (WTO), recognizing their role in regulating global trade and establishing rules for member countries. Understanding the functions of these organizations enables SMEs to navigate international trade dynamics more effectively, contributing to their overall competitiveness. SMEs exhibited a comprehensive understanding of tariffs, customs duties, and non-tariff barriers (NTBs) that impact international trade. Their awareness of the variability of tariffs and duties based on factors such as goods type, origin, and trade

agreements reflects a nuanced understanding of trade regulations. This understanding allows SMEs to anticipate and mitigate potential trade barriers, facilitating smoother cross-border transactions.

SMEs demonstrated familiarity with various trade agreements and rules of origin, which determine the country of origin for tariff application. Their knowledge of these agreements and criteria for establishing product origin showcases a clear understanding of the rules governing international trade. This understanding enables SMEs to leverage trade agreements to their advantage and access preferential treatment in export markets.

SMEs exhibited awareness of intellectual property rights (IPR) regulations and trade remedies aimed at addressing unfair trade practices. Their understanding of international agreements such as the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and trade remedies like anti-dumping duties reflects a comprehensive grasp of trade regulations. This awareness empowers SMEs to protect their intellectual property assets and safeguard against unfair trade practices, enhancing their competitiveness in global markets.

SMEs expressed knowledge of customs procedures governing import and export activities. Their willingness to adhere to trade regulations once export activities commence underscores the importance of regulatory compliance for successful international trade operations. By complying with trade regulations, SMEs can minimize risks, ensure smooth transactions, and build trust with trading partners, thereby enhancing their performance in international trade.

Therefore, SMEs' awareness and understanding of international trade regulations play a critical role in enhancing their performance in global markets. By being cognizant of regulatory requirements, SMEs can navigate trade barriers, leverage trade agreements, protect intellectual property rights, and ensure compliance with customs procedures. This regulatory awareness enables SMEs to seize opportunities and overcome challenges in international trade, ultimately contributing to their success and growth on the global stage.

On the implications of SMEs' level of understanding and compliance with these regulations, exploring how it impacts their competitiveness, risk management, market access, and overall success in global trade, SMEs with a strong understanding and compliance with international trade regulations are better positioned to access and compete in global markets. Compliance ensures that their products meet the required standards and regulations of target markets, enhancing their credibility and competitiveness. By meeting export requirements, SMEs can

navigate regulatory hurdles and gain entry into new markets, expanding their customer base and market reach. Understanding and compliance with international trade regulations mitigate risks associated with non-compliance. SMEs that adhere to export requirements minimize the likelihood of facing fines, penalties, or legal disputes, safeguarding their operations and reputation. Compliance also ensures adherence to ethical and sustainable business practices, reducing the risk of reputational damage and maintaining stakeholder trust.

Compliance with international trade regulations can enhance SMEs' access to financing and resources. Financial institutions and investors are more inclined to support SMEs that demonstrate a strong understanding of regulatory requirements, as it signifies a lower risk profile and a commitment to responsible business conduct. Compliance may open doors to funding opportunities and partnerships that fuel SME growth and expansion.

SMEs that comply with international trade regulations build trust and credibility with trading partners. By adhering to export requirements, SMEs demonstrate reliability and transparency in their business dealings, fostering stronger trade relationships and partnerships. Trustworthy trade relationships are essential for long-term success in global markets, leading to increased collaboration, market opportunities, and business growth.

Compliance with international trade regulations contributes to SMEs' market reputation and brand image. Consumers and stakeholders value businesses that uphold ethical and sustainable practices, and compliance signals a commitment to responsible business conduct. By prioritizing regulatory compliance, SMEs enhance their brand trust and loyalty, gaining a competitive edge in the global marketplace.

Training SMEs on international trade regulations not only improves their understanding and compliance but also builds their capacity for sustainable growth. Education and training programs equip SMEs with the knowledge and skills to navigate regulatory complexities, adapt to market changes, and capitalize on emerging opportunities. By investing in regulatory education, SMEs lay the foundation for long-term success and resilience in global markets.

Therefore, the implications of SME understanding and compliance with international trade regulations are profound and far-reaching. From enhancing competitiveness and market access to mitigating risks and building trust, compliance is essential for SMEs to thrive in the global marketplace. By prioritizing regulatory compliance and investing in education and training,

SMEs can unlock new opportunities, build strong trade relationships, and pave the way for sustainable growth and success on the international stage.

Therefore, the findings on SMEs' understanding and compliance with international trade regulations resonate with various theoretical frameworks in international business and competitive theory and resource based theory combined. They underscore the importance of regulatory compliance for SMEs' legitimacy, access to resources, transaction efficiency, learning, and adaptation in global markets.

### **5.5 Chapter Summary**

Chapter Five has provided an overview of the findings of the study. The specific objectives which this research addressed in this chapter included investigating how entrepreneurial training by Zambia Development Agency improves performance of small and medium enterprises in export trading in Zambia, investigate if the trained SMEs have expanded into new markets or diversified their product/service offerings and to assess the level of understanding and compliance with international trade regulations and export requirements among trained SMEs. All the objectives of the study have been fully addressed as per the findings presented.

It has been found that indeed Zambia Development Agency trains entrepreneurs in a bid to equip them with the skill to favorably compete at the international level, while this is evident, there are a number of factors hindering trained entrepreneurs from penetrating and competing favorably among them is lack of capital and or credit. It has also been established that 77.8% of trained entrepreneurs have not yet diversified owing to some challenges among them currency fluctuation, lack of capital and higher cost of doing business. Lastly, SME's are fully aware of international trade regulations for compliance purposes.

## CHAPTER SIX

### CONCLUSION AND RECOMMENDATIONS

#### 6.1 Overview

This chapter summarizes the major findings of this study. Conclusions and recommendations are drawn based on data gathered in the previous chapters.

#### 6.2 Conclusion

##### 6.2.1 Entrepreneurial training SME's export trading

Entrepreneurial training for SMEs in export trading plays a pivotal role in empowering businesses to navigate the complexities of international markets and seize global opportunities. Through this investigation, it becomes evident that well-designed training programs equip SMEs with the knowledge, skills, and resources necessary to engage effectively in export activities.

The findings underscore the multifaceted benefits of entrepreneurial training for SMEs in export trading. Firstly, such training enhances SMEs' understanding of export procedures, regulations, and market dynamics, enabling them to navigate the intricacies of international trade with confidence and competence.

Moreover, entrepreneurial training fosters innovation and adaptation by equipping SMEs with strategies for product/service adaptation to meet the diverse needs and preferences of international markets. This adaptive capacity enhances SMEs' competitiveness and positions them for success in the global marketplace.

Additionally, entrepreneurial training facilitates access to trade finance, payment mechanisms, and documentation, thereby mitigating financial risks and streamlining export transactions for SMEs. By understanding trade finance options and compliance requirements, SMEs can optimize their financial resources and ensure smooth trade operations.

Furthermore, entrepreneurial training promotes market research and identification of export opportunities, enabling SMEs to identify untapped markets, assess market potential, and develop targeted export strategies. This market-driven approach enhances SMEs' market intelligence and strategic decision-making, driving sustainable export growth.

Overall, entrepreneurial training empowers SMEs to overcome barriers to export trading, capitalize on international market opportunities, and achieve long-term business success. By

investing in training initiatives tailored to SMEs' needs, policymakers, industry stakeholders, and support organizations can foster a vibrant ecosystem for SME development and contribute to economic growth and prosperity on both local and global scales.

### **6.2.2 Expansion into new markets or diversified product/service offerings**

The prospect of expansion into new markets or diversification of product or service offerings holds immense potential for small and medium-sized enterprises (SMEs) seeking to enhance their competitiveness and sustain long-term growth. Through this exploration, it becomes evident that strategic expansion and diversification strategies can enable SMEs to tap into new revenue streams, mitigate risks, and capitalize on emerging market opportunities.

The findings underscore the importance of meticulous market research, risk assessment, and strategic planning in guiding SMEs' expansion endeavors. By identifying promising markets, understanding consumer needs, and evaluating competitive landscapes, SMEs can make informed decisions and position themselves for success in new territories.

Furthermore, collaboration and partnerships play a crucial role in facilitating market entry and navigating unfamiliar business environments. By forging alliances with local distributors, suppliers, or industry associations, SMEs can leverage their expertise and networks to overcome entry barriers and establish a foothold in new markets.

Additionally, adaptation and innovation are essential for meeting the diverse needs and preferences of target markets. SMEs must tailor their products or services to local demands, regulatory requirements, and cultural nuances to enhance relevance and appeal to customers.

Financial planning and investment are equally critical aspects of expansion and diversification strategies. SMEs need to develop robust financial plans, secure adequate funding, and allocate resources efficiently to support growth initiatives and manage risks effectively.

Ultimately, successful expansion into new markets or diversified product/service offerings requires agility, resilience, and a commitment to continuous improvement. SMEs must remain adaptable, responsive to market feedback, and willing to refine their strategies as they navigate the complexities of global business environments.

Therefore, while expansion and diversification present challenges, they also offer significant opportunities for SMEs to expand their reach, drive innovation, and achieve sustainable

growth. By embracing these opportunities and implementing strategic initiatives, SMEs can unlock their full potential and thrive in dynamic and competitive market landscapes.

### **6.2.3 Level of understanding and compliance with international trade regulations and export requirements among trained SMEs.**

The level of understanding and compliance with international trade regulations and export requirements among trained SMEs is a critical factor that significantly impacts their success in global markets. Through this study, it becomes evident that while SMEs may possess adequate training in navigating international trade regulations, various challenges hinder their ability to fully engage in global trade activities.

The findings highlight the importance of addressing key barriers such as exchange rate fluctuations, currency weakening, and limited financing options for start-up businesses. These challenges hinder SMEs from expanding into new markets or diversifying their product/service offerings despite their training in international trade regulations.

Moving forward, it is imperative to develop targeted interventions and support mechanisms to address the identified challenges and empower SMEs to overcome barriers to international trade. Providing access to financial resources, offering capacity-building initiatives, and fostering an enabling regulatory environment are essential steps in facilitating SMEs' compliance with international trade regulations and fostering their participation in global markets.

Furthermore, continuous monitoring and evaluation of SMEs' compliance with trade regulations are necessary to identify emerging challenges and adapt strategies accordingly. By promoting a culture of regulatory compliance and providing tailored support to SMEs, stakeholders can unlock the full potential of SMEs in driving economic growth, innovation, and sustainable development through international trade.

### **6.3 Recommendations**

Small and Medium-sized Enterprises (SMEs) play a crucial role in driving economic growth and fostering innovation in Zambia. Recognizing the potential of SMEs to contribute to export trade, the Zambia Development Agency (ZDA) has implemented training programs aimed at enhancing SMEs' export readiness. The therefore recommends the following based on the findings;

### *Enhancing Access to Export Training Programs*

One of the key recommendations is to expand access to export training programs for SMEs across Zambia. By collaborating with local chambers of commerce and educational institutions, the ZDA can ensure that SMEs from diverse regions have access to quality training resources tailored to their needs.

### *Customizing Training Content*

Customization of training content is essential to address the specific challenges faced by SMEs in Zambia. Modules on export procedures, market research, product adaptation, and trade finance should be incorporated, with practical examples relevant to Zambia's export context to enhance learning effectiveness.

### *Providing Mentorship and Support Services*

Offering mentorship and advisory services is crucial to support SMEs throughout their export journey. Experienced mentors can provide personalized guidance and address individual concerns, thereby increasing SMEs' confidence and capability in navigating the export process.

### *Facilitating Access to Export Resources*

Establishing a dedicated resource center or online platform can provide SMEs with access to information, tools, and resources related to export trading. This centralized hub can offer guidance on export documentation, market intelligence, trade financing options, and regulatory compliance, streamlining export activities.

### *Promoting Networking and Collaboration*

Networking opportunities and collaboration among SMEs, exporters, and industry stakeholders should be promoted. Workshops, seminars, and trade fairs can facilitate knowledge sharing, best practice exchange, and partnership development, creating synergies and expanding export opportunities for SMEs.

### *Monitoring and Evaluating Training Impact*

Implementing a robust monitoring and evaluation framework is essential to assess the impact of export training programs. Feedback from participants, tracking key performance indicators,

and measuring outcomes such as export growth and revenue generation can help gauge program effectiveness and identify areas for improvement.

### *Advocating for Policy Support*

Advocacy for supportive policies and incentives is crucial to create an enabling environment for SME export development. Engaging policymakers and government agencies can address regulatory barriers, facilitate market access, and incentivize export-oriented investments, thereby promoting SME growth and competitiveness.

Export training programs by the Zambia Development Agency hold immense potential to empower SMEs for global success. By expanding access, customizing content, providing support services, facilitating access to resources, promoting networking, monitoring impact, and advocating for policy support, the ZDA can enhance the effectiveness of its training initiatives and contribute to the growth and competitiveness of SMEs in Zambia's export market. Through these concerted efforts, SMEs can unlock their full potential as drivers of economic growth and prosperity in Zambia.

### **6.4 Recommendations for future research**

For future research in the field of entrepreneurial training, SME performance in export trading, and compliance with international trade regulations in Zambia, the following recommendations could be suggested;

**Longitudinal Studies:** Conduct longitudinal studies to track the long-term impact of entrepreneurial training provided by the Zambia Development Agency on SME performance in export trading. This would provide insights into the sustainability of the benefits gained from the training over time.

**Comparative Analysis:** Compare the effectiveness of different types of entrepreneurial training programs offered by ZDA or other organizations in Zambia. Analyze the outcomes achieved by SMEs participating in these programs to identify best practices and areas for improvement.

**Impact of Digitalization:** Investigate the role of digitalization and technology adoption in enhancing the export capabilities of trained SMEs. Assess how digital tools and platforms can facilitate market access, streamline export processes, and improve compliance with international trade regulations.

By addressing these research areas, scholars, policymakers, and practitioners can generate valuable insights to inform evidence-based policies, programs, and strategies aimed at promoting the growth and competitiveness of SMEs in export trading and advancing Zambia's integration into the global economy.

## REFERENCES

- Alharbi, A., Kanu, A. M., & Mamman, A. (2015). *Small and medium-sized enterprises (SMEs) and poverty reduction in Africa: Strategic management perspective*. Cambridge: Cambridge Scholars Publishing.
- Amoako, I.O. (2012). *Trust in exporting relationships: the case of SMEs in Ghana*. London: Routledge
- Berko Obeng Damoah, O. (2018). A critical incident analysis of the export behaviour of SMEs: evidence from an emerging market. *Critical Perspectives on International Business*, 14(2/3), pp. 309-334.
- Chisala, C. (2019). *Unlocking the Potential of Zambian Micro, Small and Medium Enterprises" Learning from the international best practices-the Southeast Asian Experience"*.
- Fox, E. M., & Bakhom, M. (2019). *Making markets work for Africa: markets, development, and competition law in Sub-Saharan Africa*. Oxford: Oxford University Press
- Fungwe, R., & Kabubi, M. (2019). Exploring Operational Challenges Faced by Small and Medium-Sized Enterprises (SMEs): Case Study of Lusaka Central Business District. *The International Journal of Multi-Disciplinary Research*, 1-31.
- Kalyongwe, J. J. (2019). *Small and Medium Enterprises business sustainability challenges and rejoinders: A case of selected districts in Zambia (Doctoral dissertation)*.
- Lumbala, M. (2019). *Private Equity Financing in Zambia: Determinants and Constraints (Master's thesis, Faculty of Commerce)*.
- Matakala, B. S. (2019). *Constraints to Small Firm and Medium's Contribution to Economic Growth in Zambia (Master's thesis, Faculty of Commerce)*.
- Mattoo, A., & Payton, L. (Eds.). (2007). *Services trade and development: the experience of Zambia*. Washington, DC: World Bank Publications.
- Mwika, D., Banda, A., Chembe, C., & Kunda, D. (2018). The impact of globalization on SMEs in emerging economies: A case study of Zambia. *International Journal of Business and Social Science*, 9(3), 59-68.

Njinyah, S., & Ngoasong, M.Z. (2014). A conceptualization to investigate the direct and indirect impacts of government policy on the performance of SME cocoa exporter in African economies. London; Routledge

Phillips, C., & Bhatia-Panthaki, S. (2007). Enterprise development in Zambia: reflections on the missing middle. *Journal of International Development: The Journal of the Development Studies Association*, 19(6), 793-804.

Smith, K (2011). *Research Design*. Prentice Hall: London

Thabani, M., & Richard, E. K. M. (2020). Factors that affect tax compliance among small and medium enterprises (SMEs) in Lusaka, Zambia. *Journal of Accounting*, 3(1), 1-14.

Umar, B. B., & Kunda-Wamuwi, C. F. (2019). Socio-Economic effects of load shedding on poor urban households and small business enterprises in Lusaka, Zambia. *Energy and Environment Research*, 9(2), 20-29.

Walt, J.P. (2008). *Barriers to exports faced by manufacturing SME's in South Africa*. London: Sage

Slevitch, L. (2011). Qualitative and quantitative methodologies compared: ontological and epistemological perspectives. *Journal of Quality Assurance in Hospitality & Tourism*, 12(1), 73–81. <https://doi.org/10.1080/1528008X.2011.541810>

Needleman, C, & Needleman, M. L. (1996). Qualitative Methods for Intervention Research. *American Journal of Industrial Medicine*, 29(4), 329–337. [https://doi.org/10.1002/\(SICI\)1097-0274\(199604\)29:4](https://doi.org/10.1002/(SICI)1097-0274(199604)29:4)

Creswell, J. W. & Poth, C. (2018). *Qualitative inquiry and research design: Choosing among five approaches* (4th ed). Sage.

### Appendix i: Research budget

Item Description	Budget
Transport to Site	K 500.00
Stationery	K200.00
Audio and Recording Equipment	K1,000.00
Photography Equipment	K300.00
contingencies	K500.00
Internet Resources	K150.00
Library Resources	K200.00
Research Assistants	K500.00
Report Typing and Editing	K150.00
Report Binding and Printing	K300.00
Total Budget	K3,800.00

## Appendix ii : Gantt Chart

	2023, April	2023, May	2023, June	2023, July	2023, Aug	2023, Sep	2023, Oct	2023, Nov	2023, Dec	2024, Jan	2024, Feb	2024, Mar	2024, April
<b>Research Proposal Submission</b>	Active	Active	Active	Active	Active	Active	Active	Active	Active				
<b>Data Collection and Analysis</b>									Active	Active			
<b>Desk Research and Documentary Review</b>									Active	Active			
<b>Research Writing and Editing</b>											Active		
<b>Reporting and Oral Presentation</b>												Active	
<b>Final Submission of Written Report</b>													Active

### Appendix iii: Questionnaire

#### QUESTIONNAIRE

*Dear Respondent,*

My name is Tikwa Kapapa, I am a graduate student pursuing a Master's Degree in Business Administration at the University of Zambia in collaboration with the Zimbabwe Open University. I am hereby, carrying out research with the title: SMEs and Export Trading in Zambia: Examining the role of Zambia Development Agency's Training on Export Readiness.

This questionnaire is to collect data and information for a research on the above topic. The information provided will be treated highly confidential and used solely for academic purpose. Please respond to this questionnaire by filling in the blank space or tick the boxes provided. Your identity will be kept anonymous.

Tick (√) or place an x to the appropriate response and/ or write in the space provided, please be honest and answer what you know and how you see things.

All responses must be written in the space provided.

#### **PART I – THE DEMOGRAPHICS INFORMATION (Please tick [√] where appropriate)**

1. Name of Enterprise/Optional \_\_\_\_\_

2. Gender of respondent

a. Male [ ]

b. Female [ ]

4. Level of education .....

5. Age of respondent

18-25 ( )

26-35( )

36-45( )

Above 46( )

6. Number of years in business

a. 1 – 5 [ ]

b. 6 – 10 [ ]

c. Over 10 years [ ]

7. What is the mode of ownership?

- a. Sole Proprietor
- b. Partnership
- c. Limited Company
- d. Other (please specify) \_\_\_\_\_

8. Ownership Structure (please tick one or more)

- a. 100% Foreign owned
- b. State owned (100%)
- c. 100% local/private ownership
- d. Joint foreign/local ownership
- e. Joint state and private
- f. Limited liability Company
- g. Other (please specify) \_\_\_\_\_

9. Nature of business

- a. Export only
- b. Import –export
- c. Manufacturing and export
- d. Other (s) (please specify)- \_\_\_\_\_

10. What product(s) do you deal with?

---



---



---



---

**PART II: ENTREPRENEURIAL TRAINING BY ZAMBIA DEVELOPMENT AGENCY**

11. Has the performance of the SME improved after the training?

- a. Yes
- b. No

12. What performance improvements have you noted as an SME?

---

---

---

13. Does your firm receive any form of training or research material from ZDA in international engagement?

- a. Yes
- b. No

14. If yes, what form of research do you conduct?

- a. Analysis of organizational objectives
  - b. Analysis of the product and managers readiness to go overseas
  - c. Decision on favorable markets to enter
  - d. Other  (please specify)
- 

**PART III: EXPANSION INTO NEW MARKETS AND DIVERSIFICATION**

15. As an SME that has had training have you started exporting to other countries:

- a. Yes
- b. No

If No, why has your SME not engaged in exportation?

.....  
.....  
.....  
.....

16. Which of the under listed is/are your destinations(s), if you are an exporter?

- a. Democratic Republic of Congo
  - b. United Republic of Tanzania
  - c. Mozambique
  - d. South Africa
  - e. Angola
  - f. Other  (please specify)
- .....

17. What products do you export to the destination(s)?



23. Do you manufacture the products that you export?

- a. Yes
- b. No

24. If yes, how do you acquire raw material for your products?

- a. Produced them internally
- b. Purchase from other exporters
- c. Purchase through agents
- d. Purchase from market place
- e. Other  sources, Specify

---

25. If No, where do you source your products for export?

---

---

#### **PART IV: TRADE REGULATIONS AND EXPORT REQUIREMENTS**

26. What trade regulations and export requirements are you knowledgeable about?

---

---

---

27. What problems do you normally encounter in your exports.

- a. Problems with Marketing
- b. Problems with raw material Supply
- c. Financing difficulty
- d. Product quality problems
- e. Delivery problems
- f. Management problems
- g. Delayed payments by buyers
- h. Others  (please specify)

---

28. Which of these legislative barriers do you encounter in your international engagement?

- a. Exchange control policies

- b. Licensing requirement policies
  - c. Tariffs
  - d. Quotas
  - e. Embargoes or Prohibitions
  - f. Other  (please specify)
- 

29. Apart from the legislative barriers above, in your own opinion, what are the main barriers to the development of SMEs in Zambia?

- a. Unstable legal environment
  - b. High level of taxation
  - c. Difficulty in accessing credit
  - d. Lack of a clear SME policy
  - e. Lack of marketing information
  - f. Uncompetitive products
  - g. Other  (please specify)
- 

30. In your own opinion, what measures should be adopted by ZDA to improve SME exporting in Zambia?

- a. Facilitate access to finance
  - b. Decrease tax
  - c. Periodic market information
  - d. Support innovative technological firms
  - e. Create special training programmes for SMEs to access
  - f. Other  (please specify)
- 

31. What recommendations can you make help improve the operations of SMEs in Zambia ?

---



---



---

## Appendix IV: Interview guide

### INTERVIEW GUIDE

1. When did you start your business?  
-----
2. What type of business have you ventured in?  
-----
3. In which year were you trained by ZDA?  
-----
4. What lessons did you learn from the training?  
-----
5. How has the training on export readiness improved the performance of your enterprise?  
-----
6. As an SME have you expanded into new markets?  
-----
7. What products or services are you exporting?  
-----
8. What international trade regulations are you aware about?  
-----
9. What export requirements do you know?  
-----
10. Have you applied these regulations and requirements when you are exporting your goods and services?  
-----

## Appendix v: Ethical approval letter



### THE UNIVERSITY OF ZAMBIA DIRECTORATE OF RESEARCH AND GRADUATE STUDIES

Great East  
Road Campus | P.O. Box 32379 | Lusaka10101 | Tel: +260-211-290 258/291 777 Fax:  
(+260)-211-290 258/253 952 | E-mail: [director.drgs@unza.zm](mailto:director.drgs@unza.zm) | Website:  
[www.unza.zm](http://www.unza.zm)

#### APPROVAL OF STUDY

**IORG No. 0005376**  
**HSSREC IRB No. 00006464**  
**REF NO. HSSREC-2024-JAN-027**

22<sup>nd</sup> March, 2024

Ms. Tikwa Kapapa  
The University of Zambia  
P.O. Box 32379  
**LUSAKA**

Dear Ms. Kapapa

**RE: "SMEs AND EXPORT TRADING IN ZAMBIA: EXAMINING THE ROLE  
OF ZAMBIA DEVELOPMENT AGENCY'S TRAINING ON EXPORT  
READINESS."**

Reference is made to your submission of the protocol captioned above. The HSSREC resolved to approve this study and your participation as Principal Investigator for a period of one year.

<b>REVIEW TYPE</b>	<b>ORDINARY REVIEW</b>	<b>APPROVAL NO. HSSREC:- 2024- JAN – 027</b>
Approval and Expiry Date	Approval Date: 22 <sup>nd</sup> March, 2024	Expiry Date: 21 <sup>st</sup> March, 2025
Protocol Version and Date	Version - Nil.	21 <sup>st</sup> March, 2025

Information Sheet, Consent Forms and Dates	☐ English.	To be provided
Consent form ID and Date	Version - Nil	To be provided
Recruitment Materials	Nil	Nil
Other Study Documents	Questionnaire.	
Number of Participants Approved for Study		

Specific conditions will apply to this approval. As Principal Investigator it is your responsibility to ensure that the contents of this letter are adhered to. If these are not adhered to, the approval may be suspended. Should the study be suspended, study sponsors and other regulatory authorities will be informed.

#### **CONDITIONS OF APPROVAL**

- No participant may be involved in any study procedure prior to the study approval or after the expiration date.
- All unanticipated or Serious Adverse Events (SAEs) must be reported to HSSREC within 5 days.
  - All protocol modifications must be approved by HSSREC prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address.
- All protocol deviations must be reported to HSSREC within 5 working days.
- All recruitment materials must be approved by HSSREC prior to being used.
  - Principal investigators are responsible for initiating Continuing Review proceedings. HSSREC will only approve a study for a period of 12 months.
- It is the responsibility of the PI to renew his/her ethics approval through a renewal application to HSSREC.
- Where the PI desires to extend the study after expiry of the study period, documents for study extension must be received by HSSREC at least 30 days before the expiry date. This is for the purpose of facilitating the review process. Documents received within 30 days after expiry will be labelled “late submissions” and will incur a penalty fee of K500.00. No study shall be renewed whose documents are submitted for renewal 30 days after expiry of the certificate.

- Every 6 (six) months a progress report form supplied by The University of Zambia Humanities and Social Sciences Research Ethics Committee as an IRB must be filled in and submitted to us. There is a penalty of K500.00 for failure to submit the report.
- When closing a project, the PI is responsible for notifying, in writing or using the Research Ethics and Management Online (REMO), both HSSREC and the National Health Research Authority (NHRA) when ethics certification is no longer required for a project.
- In order to close an approved study, a Closing Report must be submitted in writing or through the REMO system. A Closing Report should be filed when data collection has ended and the study team will no longer be using human participants or animals or secondary data or have any direct or indirect contact with the research participants or animals for the study.
- Filing a closing report (rather than just letting your approval lapse) is important as it assists HSSREC in efficiently tracking and reporting on projects. Note that some funding agencies and sponsors require a notice of closure from the IRB which had approved the study and can only be generated after the Closing Report has been filed.
- A reprint of this letter shall be done at a fee.
  - All protocol modifications must be approved by HSSREC by way of an application for an amendment prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address or methodology and methods. Many modifications entail minimal risk adjustments to a protocol and/or consent form and can be made on an Expedited basis (via the IRB Chair). Some examples are: format changes, correcting spelling errors, adding key personnel, minor changes to questionnaires, recruiting and changes, and so forth. Other, more substantive changes, especially those that may alter the risk-benefit ratio, may require Full Board review. In all cases, except where noted above regarding subject safety, any changes to any protocol document or procedure must first be approved by HSSREC before they can be implemented.

Should you have any questions regarding anything indicated in this letter, please do not hesitate to get in touch with us at the above indicated address.

On behalf of HSSREC, we would like to wish you all the success as you carry out your study.

Yours faithfully,



**DR. J. I. Ziwa**

**CHAIRPERSON  
THE UNIVERSITY OF ZAMBIA HUMANITIES  
AND SOCIAL SCIENCES RESEARCH ETHICS  
COMMITTEE - IRB**

cc: Director, Directorate of Research and Graduate Studies  
Assistant Director (Research), Directorate of  
Research and Graduate Studies Assistant Registrar  
(Research), Directorate of Research and Graduate  
Studies