

Addressing Barriers to entry into international trade by SMEs in Zimbabwe

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Abstract

Purpose: The study sought to establish strategies to address barriers to entry into international trade by SMEs in Harare. It was triggered by the need to increase the participation of Zimbabwean SMEs in foreign markets.

Research methodology: The research study adopted an explanatory approach using a survey strategy and data was collected from 322 registered SMEs in Harare using questionnaires. Data was analysed using SPSS 27 to calculate descriptive and inferential statistics and Chi-square tests, correlation, and regression analyses were used to address the research questions.

Results: Barriers to entry into international trade identified were a lack of managerial expertise and entrepreneurial skills and low advertising levels. The study recommends that SMEs increase the number of skilled personnel and develop SME management. SME management should also increase market knowledge and promote innovation to allow for SMEs to participate meaningfully in international trade.

Limitation: The study was limited to SMEs operating in Harare only. It was quantitative and explanatory.

Contribution: The study makes a significant contribution to the existing body of knowledge by bringing to the fore strategies that could enhance the international participation of SMEs, which are the backbone of economic growth in Zimbabwe.

Keywords: *International trade; managerial skills; entrepreneurial skills, Small and Medium Enterprises*

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1. Introduction

Small and medium-sized enterprises (SMEs) are crucially important in the economic development of countries worldwide (Tapang & Mbarika, 2023). Numerous studies record the tremendous contribution of the SME sector to employment, and consequently, poverty alleviation, and constitute a significant proportion of global business (Munyawarara & Govender, 2020; Tapang & Mbarika, 2023). Studies have shown that businesses, even the smallest ones, are internationalizing at a cumulative rate (Oricchio, Crovetto, Lugaresi, & Fontana, 2016). In most cases, new companies across the world are established with cross-border business activities in mind (López, Miranda, Argente-Linares, & López-Sánchez, 2018). Companies that participate in the global market consistently outperform those that do not, based on different measures of success such as wages, production, profitability, and sales volumes, (Ayyagari, Juarros, Martinez Peria, & Singh, 2021; OECD, 2008; Zulfiqar & Din, 2015). Firms that engage in international trade are more likely to be successful, and there is substantial evidence that sustained export activity results in continuous improvements in the performance of firms (Baldwin & Gu, 2003). Strong links between innovation, internationalisation, and productivity growth have also been noted (Harris & Li, 2005).

International trade promotes access to new markets, allowing for the absorption of excess production capacity or output, and improving the utilisation and productivity of resources. Global trade participation also exposes companies (SMES) to international standards, such as international business practices, international technology, and knowledge through the experience of the competitive pressures of the international trading environment and it is therefore critical for the SME sector to venture into it (Oricchio et al., 2016).

Despite the above-mentioned advantages, SME participation in international trade is very low, as shown by the total value of their international trade, which is often found to be significantly lower than their share in the Gross Domestic Product (GDP) (Chingwaru & Jakata, 2015). Barriers to global trade are likely to impact excessively on SMEs that operate globally since these are often the most productive, research and development intensive and most growth-orientated and therefore potentially the primary contributors to a dynamic national economy. It is therefore not surprising that so many policy instruments have been introduced with a view to supporting SME participation in international trade. Chingwaru and Jakata (2015) noted that, although there are numerous benefits associated with SME participation in international trade, these are still very low such that they are under-represented in the international economy as compared to their contribution to national and local economies. According to Misheva (2021), the major entry barriers to SME participation in international trade include human resources barriers, marketing barriers, informational barriers, competitors, and government barriers.

Ferrando and Mavrakakis (2017) are of the view that in sub-Saharan Africa, there were still few SMEs participating in international trade. Among those buying and selling goods and services, only a small portion of their products reaches the global market, (Oricchio et al., 2016). This low involvement of SMES in developing countries in trade might be closely related to their inability to access both local and international capital markets. This, in turn, is attributable to the inaccessibility of loans (Aidoo, 2022), both long-term and short-term, for SMEs to invest in non-current assets and use them as working capital to enhance their operations (Oricchio et al., 2016). A study by Atieno (2009) examined nine SMEs, based in Addis Ababa, specialising in the production of leather and leather products. It found barriers to international trade to include lack of finance, tariff and non-tariff barriers, unfamiliarity with export procedures, slow collection of payment from abroad, foreign distribution, complex export documents, political instability in foreign markets and fluctuating foreign exchange rates. Caputo, Carrubbo, and Sarno (2018) opined that limited financial resources, low technologies, high trading costs, inefficient logistics and cumbersome regulations and supply-side constraints are some of the barriers to entry into international trade for African SMEs.

Small and Medium Enterprises in Zimbabwe contribute more to filling the gaps left by large firms. They account for more than 70% of the economy, possibly due to economic challenges faced in the country (which resulted in the closure of many companies in Zimbabwe). According to Karedza and Govender (2019), there has been a noticeable decline in the export of local products produced by Zimbabwean SMEs, whilst at the same time international and continental performance on the market is not expanding as expected.

Sibanda, Hove-Sibanda, and Shava (2018) are of the view, amongst other findings in their study throughout the 10 provinces in Zimbabwe, that SME participation in international trade is hindered by lack of funding. The local Small and Medium-Sized-Enterprises require funds to cover the costs associated with participating in international trade. These costs include, among others, international market research, development of export markets, international exhibitions, fluctuating foreign demand, shipment costs, insurance and non-payment of delivered goods (Sibanda et al., 2018). According to López et al. (2018), the lack of financial resources is seen as the biggest limitation on SME internationalisation (Aidoo, 2022). Zimbabwe and some Organisation for Economic Cooperation and Development (OECD) and non-OECD countries such as Brazil, Russia, India, China and Israel have come up with new schemes that support SME export performance (Sibanda et al., 2018). However, evidence still shows that SMEs in Zimbabwe are impeded by a number of, amongst others, human resources, competition, and economic barriers.

Although research has confirmed the existence of entry barriers to international trade, there is relatively little evidence to address these challenges. The thrust of this research is therefore to find ways of addressing barriers to Zimbabwean SMEs entry into international trade. There is a need to find out how these constraints can be overcome so that SMEs can increase their earnings and market share, and earn hard currency.

1.1. Statement of the problem

SME internationalisation is key for economic growth. However, relatively little is known about the most effective ways of addressing barriers to entry into international trade that they face. Although the number of SMEs in Zimbabwe is increasing, only a few (less than 10%) have tried to enter the regional or international market (RBZ, 2019). Previous studies focus on the identification of the barriers to entry into international trade without examining the ways to address the barriers identified. To contribute to filling this gap in current research, this study seeks to address ways of minimising barriers to entry into international trade among Zimbabwean SMEs.

1.2. Study Objectives

The main objective of the study is to establish significant ways of addressing barriers to entry into international trade by SMEs in Harare. Specifically, the study seeks to:

1. To establish whether resources positively and significantly affect SME participation in international trade.
2. To assess whether management skills positively and significantly affect SME participation in international trade
3. To ascertain the significance of innovation and entrepreneurial skills in addressing barriers to entry in international trade.
4. To establish whether marketing and advertising positively and significantly affect SME entry into international trade.
5. To examine whether environmental factors positively and significantly affect SME participation in international trade.

1.3. Research Hypotheses

1.3.1. Main hypothesis

H1: There are significant ways of addressing barriers to entry into international trade by SMEs in Harare.

1.3.2. Sub- hypothesis

H1: Resources positively and significantly affect SME participation in international trade

H2: Management skills positively and significantly affect SME participation in international trade

H3: Innovation and entrepreneurial skills significantly influence SMEs' entry into international trade.

H4: There is a positive and significant relationship between advertising and SME entry into International Trade.

H5: Environmental factors positively and significantly influence SME participation in international trade.

2. Literature review

The absolute Cost Advantage theory by Smith (1937) argued that a country is expected to specialise in producing goods that have an absolute advantage. This means that the goods and services that a country produces should offer a competitive advantage. According to the theory, the country should produce efficiently, with minimal cost and wastage of resources, assuming that labour is the only factor of production in the economy of the state (Junaidu, 2012). In line with David Ricardo's theory of comparative cost advantage, a nation can profit from trade by producing and exporting commodities that have the most comparative advantage over-trading. Therefore, the importation of goods and services should be of those with the least comparative cost advantage. This theory considers the concept of opportunity costs, whereby in international trade, countries have the opportunity to gain if they specialise in the goods with the least amount of labour at the national level (Gallo, 2004). Both of the

aforementioned theories recommend that countries should incur minimum costs whilst gaining maximum returns from trading internationally.

2.1 The effect of resources on international trade

Inmyxai and Takahashi (2010) argued that organisations operate through a combination of resource inputs in order to produce outputs in the form of products or services. Resources are the key factor of the activity level and type of any firm. Bala, Bello, and Kolo (2008) as well as Aidoo (2022) pointed out that SMEs face some challenges due to limited resources in terms of financing, time, market knowledge, limited impact on the chosen market and a lack of expertise (Ifediora & Ibe, 2014). While this forces many SMEs out of business, it also forces some to be innovative so as to ensure economic success and long-term survival (De Massis, Audretsch, Uhlaner, & Kammerlander, 2018). It is important to understand the operations, resources and strategies of SMEs since they operate differently from MNEs owing to differences in resources available to them.

Research conducted by Ifediora and Ibe (2014) shows that companies gain a competitive advantage if they can utilize their existing resources properly. SMEs can accomplish this by improving their human resources capital in the form of leadership and by engaging employees who are willing to develop new skills and competencies. This could be essential to the success of SMEs because financial limitations often prevent them from outsourcing tasks, such as accounting and customer services. In the long run, this could help save considerable resources that could be channeled to gain market share by developing the company. If SMEs are to be competitive in the international market, they need to significantly increase their skilled personnel and continuous training as well as their access to capital, acquire other resources such as advanced and up-to-date plants and equipment, and make extensive use of ICT to improve their operations (Kumar, 2017).

2.2 Effect of innovation and entrepreneurial skills on international trade

Entrepreneurial skills significantly influence the growth, implying a positive relationship between growth and entrepreneurial skills. In other words, as entrepreneurial skills increase, does the growth of SMEs (Maseko et al., 2011). Dereli (2015) argued that for companies to succeed in the global market, they need to be inventive and creative, coming up with new ideas, products, and innovative strategies, which they should be able to effectively manage. In addition, Inmyxai and Takahashi (2010) argue that the basic indicator of a company's ability to increase its income and competitiveness is its capacity to generate export/trade earnings. This is made possible through research and development and innovativeness, or the organization's ability to introduce new products and expand existing product variety, thereby improving the company's market position. This relationship can be seen as a non-price competitive indicator and thus helps sustain a business's market position.

2.3 Effect of management skills on international trade

A study carried out by Chadamoyo and Dumbu (2012) examined the effectiveness of management on the growth of Nigerian Construction SMEs, focusing on how management plans, leads, organizes, and controls firms' resources. The study revealed that leadership style significantly influences the growth of small- and medium-sized construction firms. Leadership equips managers with decision-making, resource allocation, and broad view abilities that will enhance growth; it also finds that the best form of leadership style is democratic, as it allows members of the workforce to air their views and contribute freely in the organization, thereby enhancing growth.

2.4 Effect of the business environment on international trade

Environmental factors, such as political, economic, and social factors, moderate the participation of SMEs in international trade. First, the success of any business is largely dependent on the national economy, and inflation affects entrepreneurship, whereas the tax rate raises the cost of doing business in the country. SMEs are largely affected by economic factors such as inflation and fluctuating exchange rates (Kumar, 2017). Inflation decreases the purchasing power of money and the value of entrepreneurs' wealth. Low interest rates allow easy access to the capital and resources required to run an enterprise, but in developing countries, interest rates are high, limiting the amount of capital that can be raised for company activities. Similarly, a study conducted by Amegayibor (2023) revealed the

impact of political influence on creating awareness and enabling access to government initiatives targeting SMEs.

Second, the political environment of a country influences the growth of SMEs (Kumar, 2017). Government support programs for SMEs could ensure the growth and survival of SMEs. However, the literature shows that many SMEs have no knowledge of government support mechanisms or how to access them, and such services are complicated, inflexible, or inadequate for the actual needs of SMEs. Zimbabwean SMEs have the potential to make meaningful contributions to the economy only if they receive more support from relevant authorities, such that they can operate beyond borders and expand globally (WITS, 2020). The Government should assist companies wishing to export their products and services. Inmyxai and Takahashi (2010) recommend the rehabilitation of trade promotion organizations so that SMEs become more active and more funds are allocated to international trade.

2.5 Marketing and advertising skills

Ayyagari et al. (2021), Saboutve inadeq aabout exporting, such that their participation in international trade is adversely affected by the failure to communicate with international customers. In the aftermath of the Covid-19 pandemic, which ushered in the 'new normal,' SMEs will need to venture into online/digital marketing to penetrate various global markets. In another study carried out by Novanda (2023), it was found that SME marketplace promotional activities are important in influencing impulse buying.

2.6 Barriers to international trade among SMEs

Pietrasieński (2011) study on the internationalization of Small And Medium Enterprises established that barriers faced by SMEs when they are venturing or expanding into global markets involve limited information relating to the identification and analysis of the foreign market, problems in contacting potential clients abroad, political instability, economic challenges, high operational costs, human resources skills, and marketing skills. Lighthizer (2020) conducted a study on international trade barriers affecting SMEs and established that SMEs lack financial support, face high export tariffs, and lack information, among other challenges. Yoganandan, Jaganathan, Saravanan, and SenthilKumar (2013) concluded, in their research, that SME expansion into the international market by Third World countries is largely determined by economic barriers. Similarly, Ekai (2010) conducted a study on trade barriers among SMEs in Kenya and found that these barriers were categorized as non-tariff barriers, investment barriers, trade barriers, and commerce barriers. Aw, Roberts, and Winston (2007) found similar findings on international trade entry barriers in Nigeria, concluding that internal and external export barriers impede entry into international trade.

3. Research methodology

This study was quantitative and adopted an explanatory research design. Standardized questionnaires were used to collect data from a random sample of 322 registered SMEs questionnaires in Harare Province, which had been in operation for a period exceeding five years. The sample was drawn from a population of approximately 2000 SMEs registered with the Association of SMEs in Harares. A pilot test was conducted with 20 respondents to enhance the validity of the research instrument. A reliability test was Cronbach s alpha. If the value is between 0.8 and 1.0, reliability is considered to be good; if it is between 0.7 and 0.8, it is considered acceptable; and if it is less than 0.7, reliability is considered unacceptable. In this case, the reliability was 0.940, which was considered good. Data were analyzed and processed using the IBM SPSS 27 statistical package, where correlation, ANOVA, and regression analyses were conducted. This analysis enabled the researcher to test the relationships between the dependent and independent variables, and then test the significance of the relationship. International trade was the dependent variable and the independent variables were management skills, resources, innovation and entrepreneurial skills, marketing and advertising, and business environmental factors. The Statistical Model used was as follows:

3.1. Statistical Model

$$Y = a + b_1Re + b_2Ms + b_3Ie + b_4Ma + b_5Env$$

Where:

Re → Resources, Ms → Management Skills, Ie → Innovation and Entrepreneurial skills

Ma → Marketing and Advertising, En→ Environmental Factors

4. Results and discussions

4.1. Presentation and analysis of data

A total of 322 questionnaires were administered and 239 questionnaires were collected, giving a response rate of 74%. Cronbach's alpha was used to test the instrument's reliability. As the reliability test score for the research instrument was 0.940, which implies that the research questionnaire's level of internal reliability was good, the instrument was accepted for data collection. Table 1 presents the variable reliability test for the research instrument.

Table 1. Variable Reliability Test

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Resources	15.9672	12.932	.733	.922
Management Skills	15.6218	11.944	.770	.917
Innovation, Entrepreneurship Skills	15.6302	11.678	.795	.914
Marketing and Advertisement	15.9166	11.224	.815	.912
Environmental Factors	16.0511	12.273	.730	.922
Participation in international trade	15.8720	11.941	.931	.898

Normality tests were conducted to determine whether the data followed a normal distribution. Normality helps the researcher determine the (parametric or non-parametric) tests to use, and the results are shown in Table 2.

Table 2. Tests of Normality (SPSS analysis of the normality tests)

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Resources	.149	239	.000	.927	239	.000
Management Skills	.111	239	.000	.971	239	.000
Innovation, Entrepreneurship Skills	.089	239	.000	.973	239	.000
Marketing and Advertisement	.095	239	.000	.976	239	.000
Environmental Factors	.080	239	.001	.965	239	.000
Participation, International Trade	.145	239	.000	.933	239	.000

All six (6) variables under study were below 0.05 ($p < 0.05$). In this case, the researcher had to adopt the non-parametric tests to analyse data, since the data was not normally distributed as shown by the significance levels, which were less than 0.05 ($p < 0.05$).

4.2. Demographics

Of the total respondents, 60% were male, 20% were aged between 25 and 30 years, 38% were aged between 31 and 40 years, 24% were between 41 and 50 years, and 18% were aged above 50 years. This indicates that most of the respondents were from the economically active group, in line with recruitment policies for employees in the country. In terms of education, 5% held doctoral degrees, 43% held a first

degree, 34% held master's degrees, 11% had diploma certificates, and 7% had been educated to Ordinary and Advanced levels.

4.3. Resources

The following table provides descriptive statistics on the availability of resources to participate in international trade.

Table 3. Resources and International Trade

	N	Minimum	Maximum	Mean	Std. Deviation
SMEs are resource-loaded entities that were managed wisely and properly	239	1	5	3.30	1.156
SMEs that do not have access to the right type, quality and quantity of resources are likely not to grow and expand in the desired direction and magnitude	239	1	5	2.91	1.052
SMEs have human resources to participate in international trade	239	1	5	2.99	1.069
SMEs have technology resources to participate in international trade	239	1	5	2.77	1.020
SMEs have financial resources to participate in international trade	239	1	5	2.97	1.172
SMEs have informational resources to participate in international trade	239	1	5	3.32	.987
Valid N [listwise]	239				

The mean score for the responses ranged from 2.77 3.32. Respondents were neutral on the items that SMEs have resources that were managed wisely and properly; SMEs have access to the right type, quality, and quantity of resources that are likely not to grow and expand in the desired direction and magnitude; they have human resources to participate in international trade; SMEs have technology resources to participate in international trade; SMEs have financial resources to participate in international trade; and SMEs have informational resources to participate in international trade, as evidenced. The results indicate a neutral position regarding whether SMEs have the resources to participate in international trade.

4.4. Management skills in SMEs

The following table provides descriptive statistics to determine whether SMEs possess adequate management skills to participate in international trade.

Table 4. Management skills and international trade

	N	Minimum	Maximum	Mean	STD. Deviation
Management in SMEs plans, leads, organizes and controls the firms' resources	239	1	5	3.39	1.087
Style of Leadership in SMEs is good enough for them to participate in international trade	239	1	5	3.33	1.094
SMEs have the interpersonal skills necessary to effectively plan, lead organize and control their firms	239	1	5	3.49	1.016
SMEs have the technical skills necessary to enable their organisations to participate in international trade	239	2	5	3.70	.850
Valid N (listwise)	239				

The table above shows that respondents agreed that SMEs have the interpersonal skills necessary to effectively plan, lead, organize and control their firms (3.49, which is approximately equal to 4) and that SMEs have the technical skills required to enable their organisations to participate in international trade (3.7)

4.5. Innovation among SMEs

The following table provides descriptive statistics on innovation among SMEs for participating in international trade.

Table 5. Innovation and International Trade

	N	Minimum	Maximum	Mean	Std. Deviation
There is a drive towards achievement	239	1	5	3.38	1.038
There is a tendency towards risk-taking and a high level of creativity	239	1	5	3.55	1.067
There is an internal locus of control	239	1	5	3.37	1.080
My firm always introduces new products	239	1	5	3.22	.929
My firm makes improvements to its existing product range	239	1	5	3.39	1.132

The above table demonstrates that respondents have accepted that there is a high tendency towards risk-taking and a high level of creativity. They also agree that there is a propensity towards risk-taking (3.55) in their companies. The table also shows that respondents were neutral on the point that there is a drive towards achievement, a tendency towards risk-taking, a level of creativity, and an internal locus of control, and firms always introduce new products and make improvements to their existing product ranges.

4.6. Marketing and advertising among SMEs

The following table presents a descriptive analysis of the marketing and advertising activities of SMEs.

Table 6. Marketing and International Trade

	N	Minimum	Maximum	Mean	St Deviation
SMEs have market orientation and competitive advantage	239	1	5	3.04	1.099
SMEs have a competitive advantage in participating in international trade	239	1	5	3.04	1.074
SMEs acquire market information and intelligence from the international market	239	1	5	2.90	1.195
SMEs possess superior marketing skills, making it easier to position the firm rapidly in global niche markets	239	1	5	3.40	1.064
Valid N	239				

The results indicate that respondents were neutral on the point that SMEs have market orientation and competitive advantage (mean score 3.04), SMEs have a competitive advantage in participating in international trade (mean score 3.04), SMEs acquire market information and intelligence from the international market (mean score 2.90), and SMEs possess superior marketing skills, making it easier to position the firm rapidly in global niche markets (mean score 3.40).

4.7. Environmental Factors

The following table provides descriptive statistics on the environmental factors affecting the

performance in international trade.

Table 7. Environmental Factors and International Trade: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
SMEs are state of the national economy to participate in international trade	239	1	5	3.36	1.236
Politics affect SME participation in international trade	239	1	5	2.79	1.086
There are adequate government support mechanisms for SMEs to participate in international trade	239	1	5	2.87	1.053
Government provides export assistance to SMEs	239	1	5	3.01	.985
There is trade promotion for SMEs in Zimbabwe	239	1	5	2.77	1.002
Valid N (listwise)	239				

The table above shows that respondents were neutral on the point that SMEs are a state of the national economy to participate in international trade (mean score 3.36), politics affect SMEs to participate in international trade (mean score 2.79), there are adequate government support mechanisms for SMEs to participate in international trade (mean score 2.87), the government provides export assistance to SMEs (mean score 3.01), and there is trade promotion for SMEs in Zimbabwe (mean score 2.77).

4.8. Correlation analysis

The analysis shows a relationship between barriers to entry and participation in international trade.

Table 8. Correlation analysis

			Correlations					
			Participation_I nternational_ Trade	Resources	Management _Skills	Innovation_En trepreneurshi p_Skills	Marketing_Ad vertisement	Environmenta l_Factors
Spearman's rho	Participation_International_Trade	Correlation Coefficient	1.000					
		Sig. (2-tailed)	.					
		N	239					
	Resources	Correlation Coefficient	.606	1.000				
		Sig. (2-tailed)	.000	.				
		N	239	239				
	Management_Skills	Correlation Coefficient	.588	.564	1.000			
		Sig. (2-tailed)	.000	.000	.			
		N	239	239	239			
	Innovation_Entrepreneurship_Skills	Correlation Coefficient	.677	.476	.775	1.000		
		Sig. (2-tailed)	.000	.000	.000	.		
		N	239	239	239	239		
	Marketing_Advertisement	Correlation Coefficient	.794	.637	.525	.565	1.000	
		Sig. (2-tailed)	.000	.000	.000	.000	.	
		N	239	239	239	239	239	
	Environmental_Factors	Correlation Coefficient	.662	.302	.350	.432	.658	1.000
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.
		N	239	239	239	239	239	239

In this study, all five perceived factors investigated were positively correlated with the participation of SMEs in international trade. The results revealed that there is a positive and significant relationship between SME participation in international trade and resources [$r=0.606$, $p<0.01$ ($p=0.000$)], management skills [$r=0.588$, $p<0.01$ ($p=0.000$)], innovation [$r=0.677$, $p<0.01$ ($p=0.000$)], marketing and advertising [$r=0.794$, $p<0.01$ ($p=0.000$)], and environmental factors [$r=0.662$, $p<0.01$ ($p=0.000$)].

4.8.1. Regression Analysis

Regression analysis was also performed to assess the extrapolative relationship between the dependent

and independent variables.

4.8.2. Model Summary

Below is the model summary for the regression analysis between the five perceived factors associated with the participation in international trade.

Table 9. Regression Analysis Summary Model

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.934 ^a	.873	.870	.25665

a. Predictors: (Constant), Environmental Factors, Management Skills, Resources, Marketing Advertisement, Innovation Entrepreneurship Skills

The analysis shown in Table 10 indicates that the regression coefficient for the relationship between the five factors and participation in international trade was 0.934, whereas the parallel R-squared statistic was 0.873. The R-squared value (0.870) indicates that the model is a strong predictor of the level of participation. Thus, perceived factors explain 87% of the variation in the level of SME participation in international trade. The remaining 13% were explained by factors that did not form part of the study.

4.8.3. Regression Model Significance

An ANOVA test was also conducted and the results are presented in Table 13.

Table 10. ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	105.465	5	21.093	320.220	.000 ^b
Residual	15.348	233	.066		
Total	120.812	238			

a. Dependent Variable: Participation in International Trade

b. Predictors: (Constant), Environmental Factors, Management Skills, Resources, Marketing Advertisement, Innovation Entrepreneurship Skills

The f-ratio shown in Table 11 was used to test whether the overall regression model was a good fit for the data. The results indicate that the independent variables were statistically significant in predicting the dependent variable, F (5, 233) 320.220, $p < .05$ ($p=0.000$). Therefore, the model was a good fit for analyzing the effect of perceived factors on SME participation in international trade.

4.9. Model Coefficients

Table 11. Coefficient and Statistical Significance of Independent Variables

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.066	.085		.784	.434
	Resources	.242	.037	.234	6.525	.000
	Management Skills	.086	.040	.100	2.145	.033
	Innovation, Entrepreneurship Skills	.236	.039	.282	6.043	.000
	Marketing Advertisement	.157	.034	.201	4.603	.000
	Environmental Factors	.257	.032	.290	7.926	.000

a. Dependent Variable: Participation in international trade

The analysis presents the beta values (regression coefficients) used to measure the extent of the influence of independent variables on the dependent variable.

Results showed that:

1. Environmental factors make the most significant contribution to participation in international trade [$\beta = 0.257$, $p < 0.05$, $p = 0.000$]. The increase in the participation level as a result of environmental factors compels SMEs to participate.
2. Resources made the second most significant contribution to participation in international trade [$\beta = 0.242$, $p < 0.05$, $p = 0.000$]. The increase in participation level as a result of resources compels SMEs to participate.
3. Entrepreneurship skills made the third most significant contribution to participation in international trade [$\beta = 0.236$, $p < 0.05$, $p = 0.000$]. The increase in participation level as a result of entrepreneurship skills compels SMEs to participate.
4. Marketing and advertisement became the fourth most significant influence on participation in international trade [$\beta = 0.157$, $p < 0.05$ ($p = 0.000$)]. The increase in participation level as a result of marketing and advertising compels SMEs to participate.
5. Management skills made the least significant contribution to participation in international trade ($\beta = 0.086$, $p < 0.05$ [$p = 0.033$]). The increase in participation level as a result of management skills compels SMEs to participate.

4.10. Discussion

The results reveal a positive, strong, and statistically significant relationship between resources and the level of SME participation in international trade, which is supported by Bala et al. (2008), who pointed out that SMEs face challenges due to limited resources in terms of financing, time, market knowledge, limited impact on the chosen market, and a lack of expertise (Ifediora & Ibe, 2014). While this drives many SMEs out of business, it also forces them to be innovative to ensure economic success and long-term survival for their company (De Massis et al., 2018). Companies gain a competitive advantage if they can focus on their existing resources. SMEs can accomplish this by improving their human resource capital in the form of their leadership and employees who are willing to develop new skills and competencies (Ifediora & Ibe, 2014).

4.10.1. Management skills and participation in international trade

The results of a positive, strong, and statistically significant relationship between management skills and the level of SME participation in international trade is supported by the study carried out by Chadamoyo and Dumbu (2012). It can be deduced that the performance of SMEs depends on the style of leadership, and that democratic leadership is essential for the growth of SMEs and should therefore be adopted in workforce management.

4.10.2. Innovation and participation in international trade

There is a positive, strong, and statistically significant relationship between innovation and the level of SME participation in international trade, which was supported by the study by Inmyxai and Takahashi (2010), who argued that the basic indicator of a company's ability to increase its income and competitiveness in its capacity to generate export/trade earnings. This is made possible through research and development, as well as innovativeness in terms of the organization's ability to introduce new products and upgrade existing product varieties, thereby improving the company's market position. This relationship can be seen as a non-price competitive indicator and is thus helpful in sustaining the business market position. A study carried out by Dereli (2015) evaluated the influence of innovation in succeeding global competitiveness and found out that for companies to succeed in the global market, they need to be inventive and creative thereby coming up with new ideas, new products and as well as coming up with innovative strategies which they should be able to effectively manage.

4.10.3. Marketing and advertisement and participation in international trade

The results showed a positive and statistically significant relationship between marketing and advertising and the level of SME participation in international trade, which was supported by Inmyxai

and Takahashi (2010). Organizations' marketing strategies influence the global expansion of SMEs. Research has found that the growth is largely influenced by their market orientation and competitiveness. They note that there is indeed a relationship between market orientation and internationalization. SMEs' internationalization is connected to their competitiveness, which can be achieved through marketing and advertising.

A fundamental challenge faced by SMEs is that they do not have skills for marketing and have very limited knowledge about foreign, which accounts for their inability to participate in and serve foreign markets. According to Ayyagari et al. (2021), SMEs have inadequate information about exporting hence their participation in international trade is affected greatly due to failure to communicate with international customers (Ayyagari et al., 2021).

4.10.4. Environmental factors and participation in international trade

The results of the positive, strong, and statistically significant relationship between environmental factors and the level of SME participation in international trade are in line with Kumar (2017), who studied the economic factors affecting the growth of construction SMEs in Nigeria. Kumar (2017) notes that inflation has an effect on entrepreneurship efforts, and when there is inflation, the value of wealth decreases and clients tighten their belts. Low interest rates provide easy access to the capital and resources required for running an enterprise, but in developing countries, interest rates are high and there are hidden charges. This limits the amount of capital that can be raised for business. Kumar (2017) notes that high exchange rates are a problem militating against a firm's success, and that Nigeria's weak naira means that export-related businesses are more of an investment priority than local SMEs.

Lighthizer (2020) conducted a study on barriers to SME entry into international trade. Research has established that SMEs lack financial support, are faced with high export tariffs, and lack information, among others (Yoganandan et al., 2013). Cicea, Popa, Marinescu, and Cătălina Ștefan (2019), on barriers to entry into international trade by Brazilian and Peru SMEs, established that SME barriers to entry are mainly due to economic, social, political and technological barriers in African countries Ekai (2010) carried out a study on trade barriers affecting SMEs in Kenya.

4.11. Hypothesis Testing

Hypothesis testing was also performed and the results are presented below.

Table 13. Hypothesis Testing Outcomes

Hypothesis	Decision
H1 Resources positively and significantly affect SME participation in international trade	Hypothesis Accepted
H2 Management skills positively and significantly affect SME participation in international trade	Hypothesis Accepted
H3: Innovation and Entrepreneurial skills significantly influence SMEs' entry into international trade.	Hypothesis Accepted
H4 There is a positive and significant relationship between advertising and SMEs' entry into international trade.	Hypothesis Accepted
H5 Environmental factors positively and significantly influence SME participation in international trade.	Hypothesis Accepted

5. Conclusions

The overall objective of this study is to address barriers to international trade. The study concluded that SMEs do not have adequate resources, SMEs have limited access to the right type, quality, and quantity of resources for them to grow and expand in the desired direction and magnitude, SMEs have limited expertise to participate in international trade, SMEs have limited technology resources to participate in international trade, SMEs have limited financial resources to participate in international trade; and have limited informational resources to participate in international trade. The study concluded that SMEs have no interpersonal skills to effectively plan, organize, and control their firms, and that they have

technical skills to enable their organizations to participate in international trade. Additionally, the study concluded that in SMEs, there is a tendency towards high risk-taking, and a high level of creativity limitations was noted in the level of creativity and internal locus of control; the introduction of new products and firms making improvements to their existing product ranges. It was also established that SMEs have limited market orientation and competitive advantage to participate in international trade, inadequate market information and intelligence from the international market, less superior marketing capability, and are not properly positioned in the global niche markets. It was also established that politics affect SMEs' participation in international trade and that there are adequate government support mechanisms for SMEs to participate in international trade. The government provides export assistance to SMEs, and trade promotion exists for SMEs in Zimbabwe. SMEs need to have adequate resources and access to the right type, quality, and quantity of resources for them to expand on the international market. Human expertise, technology resources, financial resources, and informational resources significantly affect SME participation in international trade.

This study recommends that SME management address the issue of market knowledge. This enables SMEs to access relevant knowledge regarding international trade. Participation in international trade could open new markets for SMEs and address future financial barriers. The study recommends that SMEs promote innovation in the development of new products and services that would attract both local and international markets, ensuring the economic success and long-term survival of their companies. SMEs are encouraged to continue developing the competencies of their staff as this gives them a competitive advantage. Proper marketing strategies are vital for international trade.

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