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The Role of Entrepreneurial Leadership Capability in the Business Growth of Owner-managed Small and Medium Enterprises in Zimbabwe

ANDREW HWITITI¹ AND EMMANUEL DUMBU²

Abstract

The study critically explores the role of Entrepreneurial Leadership (EL) capability in stimulating growth in owner-managed small and medium enterprises (SMEs) in Zimbabwe. The study was carried out among 20 owner-managed SMEs across varied sectors using the qualitative methodological research design. The study findings reveal that EL plays a critical role in business growth, stability and performance by bringing in adaptive resilience, innovation and creativity, strategic networking and crisis management techniques. The study is very useful to SME owner-managers as it unpacks strategies and characteristics within EL capability to cater for solid empowerment necessary for achieving sustainable growth in the face of challenges. The study further contributes to the broader understanding of critical modern-day business leadership which is key in leading owner-managed SMEs businesses operating in emerging and developing economies by offering practical insights that enable them to thrive and grow their businesses into fully fledged firms under challenging environments by implementing the EL capability style.

Keywords: owner-managed businesses; adaptive resilience; innovation, strategic networking; crisis management.

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INTRODUCTION

SMEs play a very significant role in driving economic growth and job creation globally as they account for 90% of businesses and 50% of world's employment (Wild, 2019). SMEs operating in developing economies, such as Zimbabwe in particular and broadly in Africa, are regularly exposed to volatile business environments and face compounding challenges in running sustainable business ventures due to cut-throat competition and sometimes inconsistent government policies and over-interference in their business activities through over-regulation and levying of unbearable multiple taxes. Operating in such environments calls for effective leadership to achieve growth and be competitive in businesses. Entrepreneurial Leadership has emerged as a crucial factor in addressing these challenges and enabling the sustainable growth of owner-managed SMEs businesses, according to various studies (Dunne, 2016; Leitch, 2017; Dabić *et al.*, 2021). It against this background that the study becomes pertinent in that it seeks to put on the spot the important role of EL in entrenching resilience and adaptability in owner-managed SMEs, examining how specific leadership practices can drive sustainable growth and innovation in the face of emerging developing market challenges. By investigating the interplay between EL styles and organisational performance, the study intends to provide actionable insights that can inform both current and aspiring entrepreneurs on effective strategies for navigating the complexities of the modern business landscape and buttress that important space which should always be occupied by EL capability in owner-managed SMEs. The study is conducted in the context of Zimbabwe, a country where SMEs play a significant role in driving economic development, but face challenges such as limited access to capital, political instability and market volatility. In this environment, the role of EL becomes crucial. Previous research, including that by Mtengwa (2023), highlight the importance of EL in enabling SMEs to thrive despite external pressures. The study focuses on owner-managed businesses to investigate how leadership competencies, such as decision-making,

innovation and resilience, contributed to the sustainability and growth of these businesses in a volatile market. This context is chosen as it offers valuable insights into how leadership practices within SMEs could be enhanced to foster growth in challenging economic climates. The study explores the extent to which EL capabilities of owner/managers play a role in resilience, adaptability and innovation which, in turn, drives the growth trajectories of SMEs. The study aims to explore the important role played by EL capability in owner-managed SMEs. To that extent, the research has identified key elements reflective of entrepreneurial capability.

CONCEPTUAL FRAMEWORK

The conceptual model proposes that there is a relationship between EL skills and growth and performance of SMEs, encompassing how these elements are related to each other with regard to organisational effectiveness. Entrepreneurial leadership types, especially transformational and situational leadership styles, are believed to be instrumental in promoting growth because they create a conducive environment for innovation and flexibility. It is expected that these styles of leadership will motivate high personal competencies in SME heads, focusing on such traits as flexibility, resistance ability, which are very important for performance back up even when faced with hurdles. Imperative leaders are those who have strong entrepreneurial skills and are able to cultivate capabilities in the organisation such as dynamic capabilities which include re-allocation of resources and making strategic shifts to meet the changes in the external environment. Such dynamic capabilities help SMEs in the identification and exploitation of opportunities presented by the environment, while ensuring that an equilibrium state is achieved in undesirable environmental conditions, thus promoting creativity and healthy survival of the organisation. Furthermore, the importance of leadership in the entrepreneurial context also affects the effective strategic management of crises, calling for quick action and effective communication which are

crucial in running a business and keeping morale high in times of crises. These three factors, namely personal competencies, dynamic capabilities and crisis management strategies, are thus mechanisms which mediate the relationship between EL and performance of SMEs for purposes of achieving growth, innovation and sustainability in a competitive environment. This model also shows that entrepreneurial leaders can, through their styles and skills, establish resilient and flexible SMEs even with uncertainties prevailing. Figure 1 depicts the relationship between certain factors of EL and business performance.

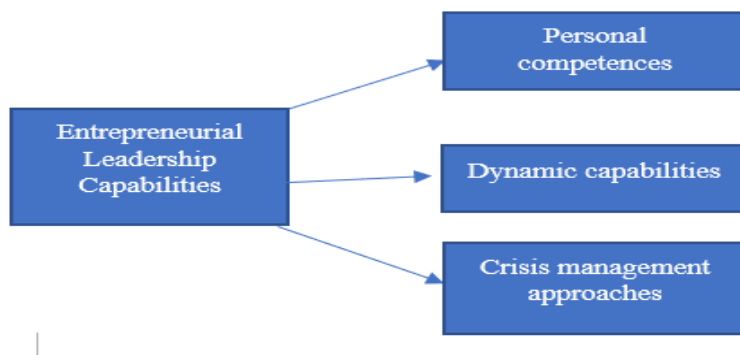


Figure 1: The relationship between entrepreneurial leadership and business performance

LITERATURE REVIEW

The perspective of EL in small and medium enterprises is constantly changing to suit the constraints and opportunities that promote growth and sustainability. By definition, EL plays the critical roles of visionary leadership, creativity, risk-taking, crisis management and innovation in ensuring business growth and sustainability. The study is informed by the basic tenets of Schumpeter's Theory of Entrepreneurial Leadership conceived by Joseph Alois Schumpeter in 1934. The theory emphasises the fusion of the concept of entrepreneurship and leadership as a recipe for successfully running a business enterprise. The theory importantly acknowledges the

influence of individual acts and firm's performance. The study notes that Schumpeter's perspective is hinged on the convergence of entrepreneurship and leadership to form EL capability. The study further notes that individuals in the form of owners or any person trusted with running the business has the mandate to be entrepreneurial in their approach and so much depends on their behaviour to the extent of building or collapsing the business. The implication of Schumpeter's theory through researcher's eyes suggests that issues of resilience, adaptability, innovation, risk taking, crisis management and strategic networking are as a result of EL, hence it is critical for business to implement EL. By design, EL is meant to foster innovation and construct a supporting organisational culture. Further to the theory and in support thereof, researchers like Ishak, Che Omar and Abd Manaf (2021) give an overview of the concept of EL in the context of micro and small enterprises (MSEs) where they argue that without managers' or owner's exceptional skills, it will be impossible to achieve competitive advantage. They also mention such behaviours like risk-taking, creativity and assertiveness in decision-making as essential for coping with the MSE context. The authors assert that the practice of EL goes beyond the possession of certain traits, it is a complex situation where an organisation's purpose is integrated with the changes occurring in the environment. (CAS) concept as a lens, highlights the ability of SMEs to manage volatilities. How can CEOs of SMEs develop resilience? They can do this by continually fostering flexibility and adaptability. It is due to the nature of organisations that draw on the interdependencies in self-organisation and considers the existence of a dynamic environment that fosters or constrains change over time, that the CAS perspective becomes very important. In SMEs, Yukicioglu avers that leaders' capacity to modify strategic orientation and internal processes in SMEs helps to determine the level of resilience. The research concludes that entrepreneurial leaders must embrace a mindset that supports adaptation so that their organisations can effectively and quickly deal with threats and take advantage of new

developments. It is similar to the focus on EL in the view synthesised by Ishak, Che Omar and Abd Manaf (2021), who contend that leadership in MSEs has an adaptive nature in that it relies on the leader's ability to access the risk, design new solutions and act in real time under uncertainty. Together, these studies emphasise that EL is by nature complex and dual-pronged within SMEs strategies, combination of planning, active management of resources and management of change to survive economic challenges and enhance development in a particular industry.

Entrepreneurial Leadership is a combination of two concepts, that is, entrepreneurship and leadership, according to Michaelides *et al.*, (2010). EL has become a modern phrase that defines the combination of entrepreneurial ability and leadership spirit. Entrepreneurial leadership, in its state, is formulated around entrepreneurship, the individual action drive to establish a business coupled with innovation and taking advantage of opportunities (Navendu and Singh, 2022). Kuru (2016) argues that EL comes out as the fluid concept and the leadership spirit is administered to the nature of entrepreneurship and has the immense capacity to bring positive change. According to other studies, EL is different from entrepreneurship. Coglisier and Brigham (2004) suggest it is a new model focused extremely on continuous innovation and development. Entrepreneurial leaders, on the other hand, are seized with identifying and searching for opportunities in established businesses sectors.

The art of EL as per Navendu and Singh (2022), is the entrepreneur who has the much-required leadership qualities. Entrepreneurial leaders are, therefore, identified as those people in business who serve as the employment provider, speculator and source of information. With the above assertions from different studies, it becomes apparent that the status of an entrepreneur as a business leader, can be logically referred to as EL. Consequently, EL can be determined as carrying characteristics of risk taking, firm locus of

control, an eye for opportunities, innovative, accompanied by a strong sense of achievement, interchanging and strategic.

Various studies have asserted the position that the success of owner-managed business is, to a greater extent, dependent on the owners' and managers' successful entrepreneurial and leadership skills which, if combined, becomes EL (Mitchelmore and Rowley, 2013; Tehseen and Ramayah, 2015). It is, therefore, important for owner-managed business to value and implement the concept of EL in trying to grow their business. This concept, as highlighted above, brings in the necessary qualities of risk taking, crisis management, strategic networking and innovation, key components of business leadership.

Owner-managed SMEs are run and managed by owners in their daily business activities. In these SMEs, normally the owner has full managerial control and decision making. Tasked with such responsibilities, it is critical to note the importance of the owner in acquiring and implementing a leadership style which can assist in growing the business and in the study, it is the EL capability.

Studies that are based on observations have shown the different leadership styles that aids in the well-being and expansion of SMEs, focusing mainly on the adaptability and the personal competencies of the leaders. Hud *et al.* (2024) study successful styles of leadership from a qualitative point of view and identify as the most appropriate and challenging for SMEs transformational, transactional, democratic and situational leadership styles. It has been established that those leaders who have transformational and situational leadership characteristics are able to create a climate of change and innovation necessary for quick decision-making in the context of small enterprises. This combination of leadership styles has proved to be beneficial for motivating teams and employee engagement and innovative performance to adapt to changing market conditions. This type of leadership is very effective in SMEs since they do not have

enough money to employ many people as this enables the leaders to use the full capacity of their teams without dissemination issues when it comes to the undertaking of the work.

This is supported by Masakale and Pooe (2022), who prove that personal entrepreneurial competencies, such as adaptability, resilience and proactive approach to risk management, are crucial in impacting the performance of SMEs. Additionally, the authors state that leaders with developed dynamic capabilities easily cope with undesired change, while ensuring the stability of the organisation and its growth over time.

Effective leadership plays a pivotal role even while grappling with crises as seen in Heinze (2022), who explores crisis management among SMEs from a leadership approach. The research by Heinze (*ibid.*) places emphasis on the significance of leadership styles of stirring up a crisis, rather than avoiding it, especially in the mix of quick judgment and quick action - both of which are essential. In the same rationale, Heinze argues that in SMEs, leaders who have capability for clarity and give direction when situations are unclear and have control over the relevant resources, have the ability to shield the SMEs from external threatening events (cf. Masakale and Pooe, 2022). Most importantly, these two studies reveal how leadership is applicable in everyday management and in crisis intervention which relates to how well one is able to modify, use personal abilities and management principles to handle crises and maintain performance and stability of SMES in turbulent situations.

Literature provides evidence that acknowledgment of entrepreneurial competencies is vital for the long-term survival of SMEs or to stay competitive in prevailing hostile business environments. For instance, in a review of SME contractors in South Africa, Anugwo and Shakantu (2020) review other studies and argue that processes like strategic management, adaptability and risk management are entrepreneurial

skills that go beyond economic viability within five years of business operations. These characteristics empower SMEs to thrive in eras characterised by economic downturns, careful allocation of scarce resources and persistent growth in the industries they compete in. This explains the importance of leadership abilities in building resilience, as SMEs go through adverse factors and emerge successful in the end.

That is the finding from similar research by Sendawula *et. al.* (2023), on small enterprises in Uganda, indicating that businesses perform better when owners are engaged in entrepreneurship networking and pursuing innovation. Engendering networks empowers owner/managers with resources, intelligence and alliances on the market, which in turn stimulates novelties and flexibility. The ability to innovate helps these SMEs to be more aggressively competitive by giving them a sense of urgency to market new products sooner, instead of waiting for a slow response to a market shift. Particularly, all these articles argue that EL - where one has competencies such as networking, innovation and adaptive strategies - enables not only the quick performance enhancement of SMEs, but also the long-term routine performance necessary for such firms to exist in changing complex conditions.

RESEARCH METHODOLOGY

In this section, the researcher addresses the issues of research philosophy, research design, population of the study, sampling procedures, data generation and analysis. It critically explores the research methodology deployed to fully extract data from the relevant participants of the study. The research methodology utilised is underpinned by an interpretivist philosophy, which highly focuses on the requirement of understanding human behaviour and social phenomena in a contextual and subjective approach. The methodology consequently adopts a qualitative design to fully

appreciate a deeper exploration of participants' lived experiences in their running of businesses.

The study utilises an interpretivist research philosophy, which is common in qualitative research to understand human behaviour and the meanings individuals attach to their experiences (Creswell, 2018). This approach enables the researcher to explore how entrepreneurial leaders interpret their environments and make decisions that foster business growth, particularly in the context of owner-managed SMEs in Zimbabwe. A qualitative research design is employed to delve into the complex dynamics influencing SME success, focusing on the lived experiences of business owners (Ishak, Che Omar and Abd Manaf, 2021; Yapicioglu, 2023). Semi-structured interviews serve as the primary data collection tool, allowing participants to express their insights while the study probes deeper into relevant areas.

The target population consists of owner/managers from SMEs in agriculture, retail and manufacturing sectors, selected through purposive sampling. This method ensures that participants have relevant leadership experience (Mtengwa, 2023). A sample size of 20 is deemed adequate for this qualitative analysis.

Data generation involves semi-structured interviews, which provide flexibility to explore various aspects of EL, including decision-making and resilience (Ishak, Che Omar and Abd Manaf, 2021). Interviews are conducted in person or via video conferencing and are audio-recorded with consent for accurate transcription.

Data analysis in the study utilise thematic analysis, a method for identifying and interpreting patterns in qualitative data (Braun and Clarke, 2021). The research familiarised itself with the interview transcripts, coding significant phrases and grouping them into

broader themes. The analysis focuses on how EL contributes to SME growth and resilience and member checking is employed to enhance the validity of findings by providing participants with summaries to ensure their views are accurately represented.

FINDINGS

Findings from the interviews conducted with participants reveal critical insights into the role of EL capability in owner-managed SMEs. This section presents the findings of the study with a view to establish important views and opinions proffered by the participants and how they can be adopted to fully address the challenges of EL approach faced by many owner-managed SMEs. Participants highlighted that effective EL significantly influences organisational adaptability, innovation and overall performance. Key themes emerged, including the importance of adaptive resilience, innovation and creativity, strategic networking and crisis management, all of which were identified as essential drivers of success in owner-managed SMEs contexts. These findings underscore the vital role that EL capabilities play in navigating challenges and leveraging opportunities for growth, particularly in economies such as Zimbabwe.

Adaptive resilience is the ability of business leaders to remain flexible and adjust strategies in response to market and environmental changes. In owner-managed SMEs, this resilience is often tested by unpredictable challenges that demand quick decision-making and a proactive mindset. As seen in participant responses, owner/managers emphasised the importance of staying agile, adapting to new situations and focusing on what can be controlled in the face of external changes. This adaptability allows SMEs to navigate challenges and capitalise on opportunities, reinforcing the role of resilience as a cornerstone of EL in sustaining growth.

The research had the opportunity to pose questions on owner/managers about their survival in a dynamic business environment to which one participant expressed that:

"I learned early on that surviving in this market means constantly adapting. There are always unforeseen changes, from economic shifts to industry-specific challenges. When things got tough, we had to shift our focus to what we could control, whether that meant adjusting our product line, changing suppliers, or targeting a new customer segment."

On the same note, another participant mentioned that:

"Flexibility is everything; there is no one-size-fits-all approach to running a business, especially as a small enterprise. We pivot whenever we see new challenges coming our way and I think that's been key to staying in business. For example, during a supply chain delay, we quickly found alternative suppliers to keep operations moving."

Among the mentioned themes, adaptive resilience came out as perhaps the most important aspect and all the participants underlined how it contributes to the ability of SMEs to endure and cope with different stages of turmoil. Interviews treated resilience as a process that is cumulative and anticipatory and not merely a reaction during extremes of crisis. For these owner/managers, resilience was not just about bouncing back after a setback but, rather, involved a change and evolution of their business processes to cope with the next challenges. For many, this resilience meant that they were able to modify their strategies, operational models and product lines whenever there were economic downturns or changes on the market or competition. Such flexibility was viewed as fundamental for not just limited existence, but exploring different growth avenues as well. The responses indicate that such resilience of the owner/managers translates to enabling them to effect changes in a timely manner to deal with risks and enhance their chances on the market.

Innovation and creativity are essential for SMEs to maintain a competitive edge, especially in fast-paced industries. For

owner/managers, fostering a culture of innovation involves constantly seeking new ways to improve processes, products and services. Despite limited resources, participants highlighted how incremental innovations contribute significantly to business differentiation and growth. The ability to innovate enables SMEs to meet evolving customer needs and stay relevant, making creativity a critical aspect of EL which supports long-term success and adaptability.

During one of the interviews, participant who has been running their business for at least three years said

"In our line of work, innovation is survival. We don't have the same resources as large corporations, so we have to be more creative with what we have. Every small improvement, every new idea, whether it's finding a more efficient way to manage inventory or offering new services, helps us stay ahead."

Another participant, having been in business for two years, added;

"We focus on smaller, achievable changes that align with our resources. For instance, improving customer service by training our team in specific communication techniques made a huge difference in client satisfaction. Sometimes a small change can have a massive influence on an organisation."

All the participants mentioned that innovativeness and creativity are core index in creating an edge and diversifying their businesses. Owner/managers talked about a culture of innovation where all personnel are able to play, create and find answers to specific problems. It was recognised that it is not only products or services that are innovated, but also internal processes which, in turn, enables the SMEs to easily cope with product and consumer changes on the market. This type of innovation assistance not only enables the SMEs to remain competitive, but also improves their efficiency and responsiveness. Participants understood innovation as a competitive activity and performed it by creating products and

service of different attributes to win customers and maintain their loyalty.

STRATEGIC NETWORKING

Strategic networking plays a pivotal role in the growth and sustainability of SMEs, offering access to resources, knowledge and collaboration opportunities, which may otherwise be unattainable for smaller enterprises. Owner/managers emphasised the benefits of establishing relationships with other industry players, from suppliers to competitors, to gain insights and resources that contribute to business resilience. Through strategic networking, SMEs can reduce costs, access new markets and enhance their operations, underscoring the importance of collaborative relationships in EL for scaling and sustaining SMEs.

An owner of a small enterprise, on being probed on the role and importance of networking with key stakeholders in running the business, had this to say:

“Networking has been a game-changer for us. By building relationships with suppliers, distributors and even competitors, we’ve been able to access resources and expertise that would have otherwise been out of reach. Every connection has given us something valuable, whether it’s a new insight, a partnership, or even just a better understanding of the market.”

Posing the same question to another, the participant eagerly highlighted that:

“Collaborating with others has allowed us to pool resources, which is especially important in an SME where budgets are tight. By working together, we’ve been able to reduce costs and tackle projects we couldn’t manage alone. It’s accelerated our growth in a way we couldn’t have done independently.”

Strategic networking was another prominent theme identified by participants, who emphasised its importance in accessing resources, knowledge and market opportunities which would otherwise be

difficult to obtain. Building connections with industry peers, suppliers and customers provides SMEs with a competitive advantage, enabling them to leverage their networks to overcome common constraints such as limited capital, technology and access to market insights. Participants described networking as a tool that allows them to collaborate on shared challenges, pool resources and explore new avenues for growth. Networking also facilitated knowledge exchange, helping them stay informed about market trends, regulatory changes and best practices that could support their business's development.

Effective crisis management is essential for SMEs to navigate periods of uncertainty and strong leadership plays a crucial role in guiding businesses through crises. Owner/managers described how rapid decision-making, transparent communication and team support were instrumental in maintaining stability during challenging times, such as the COVID-19 pandemic. Crisis management not only requires decisive action, but also involves instilling confidence and motivation in teams, reinforcing trust and loyalty. This theme highlights the importance of resilience, calmness and clarity in leadership, enabling SMEs to weather crises and emerge stronger.

A participant who is an owner manager of their business operations, was keen on highlighting their survival experience during the COVID period which brought serious crises across the business environment:

“When the pandemic hit, there was no playbook for what to do. I had to make rapid decisions that would keep us afloat and make sure my team was supported through it all. It was intense, but by staying calm and taking action, we managed to stay on our feet.”

On the same subject another owner/manager from another sector expressed that:

“During challenging times, it's essential to show strength and support. I saw my role as being there for my team, making sure they felt secure and giving clear directions. I think that built a lot of trust and loyalty, which is invaluable. It's what keeps a team motivated even in difficult times.”

Participants underscored the importance of strong leadership in effectively managing crises and maintaining stability within their SMEs. They recounted experiences where their leadership skills were tested, emphasising that clear communication, decisive action and a focus on team morale were essential to navigate challenging times. Owner/managers reported that during crises, their ability to take immediate and transparent actions helped maintain employee trust and operational stability. They found that strong crisis management skills gave them a sense of control and direction, allowing them to address problems swiftly and reassure their teams. This theme illustrates the critical role of leadership in crisis situations, where the owner/managers' ability to guide and support their teams was instrumental in mitigating disruption.

DISCUSSION

The literature canvassed has shown the concept of adaptive resilience as an entrepreneurship competence in recent years and also emphasised its significance for small or medium enterprises operating in volatile environments and scarce resource contexts. Yapicioglu (2023) argues how the resilience of SMEs can be best understood through complex adaptive systems by emphasising that adaptive leaders are those who do not ignore challenges, but learn to overcome them and modify approaches. This agrees with the responses of the participants, where such leadership style incorporated resilience as one of the approaches which helped them quickly make significant decisions in the wake of changes. Furthermore, Anugwo and Shakantu (2020) assert that achieving environmental sustainability is the challenge most SME in the construction industry will face, hence the need for building resilience. Literature and participant responses, demonstrate how adaptive resilience is an important and beneficial resource for owner/managers, how it allows them to run their businesses effectively, remain flexible and pursue development over time, even in high degrees of uncertainties.

The literature regarding EL supports the notion of innovation being key for SMEs because it helps them cope with market changes and customer demands in a relatively cut-throat atmosphere. In this sense, Sendawula *et al.* (2023) show that when innovativeness couples with entrepreneurial networking, it enhances small firms' effective response to new opportunities and market trends. Intensity of emphasis on innovation differentiates the views of the participants and provides impetus for growth. Ishak, Che Omar and Abd Manaf (2021) complement this notion, by stating that entrepreneurial leaders create environments conducive to experimentation and innovation among themselves and their subordinates. From both perspectives of participants and literature, it comes out that innovation is not simply a reaction to the outside world, but also a continuous process that is at the heart of EL. It can be seen from the examples of owner/managers who promote innovative culture among team members. It helps in adaptability to the competitive scenarios, enhancing the competitive edge of the firm and supporting the sustained growth of the business over time.

Strategic networking has been highlighted in research as a crucial entrepreneurial skill for SMEs, providing access to external resources and fostering business resilience. Sendawula *et al.* (2023) note that networking enhances small business performance by allowing SMEs to pool resources, share market insights and create partnerships which foster innovation. Similarly, Mtengwa (2023) highlights that for SMEs facing resource constraints, networking is essential for growth, as it opens up opportunities for resource sharing, collaborative ventures and market expansion. These perspectives align with participants' views that networking extends beyond simple connections, it acts as a means of securing essential support and knowledge in challenging market conditions. Both participant responses and the literature underscore that strategic networking is not merely an accessory to EL, but an integral component that enables SMEs to overcome limitations, build resilience and achieve sustainable growth. For

owner/managers, networking forms a foundation for business stability, enhancing their capacity to innovate and respond to market demands effectively.

The existing literature also confirms the importance of crisis management skills as a significant component of EL in SMEs, where the capacity to tackle crises often dictates business continuity. Heinze (2022) contends that crisis management, in particular, should occupy the minds of SME directors, as restoring stakeholder confidence and repairing disruptions should be prioritised over every decision. This is very much in line with the participants who placed great importance on keeping the team spirits high and communication open, which they deemed necessary for the proper functioning of the business in trying times. They also pointed out that such culture is created in EL as Ishak, Che Omar and Abd Manaf (2021) and their teams are inculcated in preparation for the adverse situations, enhancing their adaptability to the surrounding environments. Yapicioglu (2023) points out that resilience is also vital in managing a crisis and that motivating and encouraging the leaders to provide support to their subordinates will reduce the effects, if not eliminate, crises. Taken together, these perspectives show that there is a crisis management skill among the attributes of EL in SMEs, which enables owner/managers to draw on social resources.

CONCLUSION AND RECOMMENDATIONS

The study underscores the critical role of entrepreneurial leadership capability in fostering the growth and sustainability of owner-managed SMEs. While many SME owners possess foundational entrepreneurial skills, there is a significant need for further development in leadership capabilities to effectively navigate market challenges and capitalise on opportunities. Through examining adaptive resilience, innovation, strategic networking and crisis management, it becomes evident that owner/managers who possess these leadership qualities are better equipped to navigate the

challenges and seize opportunities inherent in volatile business environments. Adaptive resilience emerged as an essential quality, enabling SMEs to remain flexible and responsive to market changes, a key factor in sustaining long-term competitiveness and achieving economic stability. Innovation and creativity, fostered by EL, allow these businesses to differentiate themselves, align closely with consumer demands and capture new markets. Additionally, strategic networking offers a valuable mechanism for accessing resources and knowledge, which enhances SMEs' capacity to thrive despite financial or operational constraints. Finally, the importance of crisis management skills cannot be overstated, as owner/managers who can lead effectively in times of uncertainty, build trust, stability and unity within their organisations. Collectively, these findings emphasise that EL capability is not merely beneficial, but essential for the sustained success of owner-managed SMEs, particularly in highly competitive or resource-limited environments.

Based on the findings, several key recommendations can be made to enhance EL capabilities within owner-managed SMEs. The study recommends targeted training and mentorship programmes focused on developing EL skills among SME owners. These programmes should cover issues such as adaptive resilience, strategic planning, innovation management and effective team leadership. This training could involve workshops, mentorship and practical learning experiences that empower owner/managers to remain agile and resilient amidst market fluctuations. The study also recommends that SMEs should prioritise building strategic networks and among SME owners, through networking events, workshops and fora which can provide peer support, knowledge sharing and best practice exchanges. This can be achieved through joining industry associations and fostering partnerships that can provide access to critical resources, market insights and collaborative opportunities. These networks should be cultivated as long-term relationships that support

mutual growth and innovation. It is also advised that SMEs should endeavour to establish internal systems that encourage innovation, such as creating spaces where employees can contribute ideas, experimenting with new products or services and implementing feedback loops to continuously improve offerings. Such practices can cultivate a culture of creativity and adaptability, which are crucial for long-term competitiveness. The study recommends that policy-makers at different levels, including relevant government departments, should design and implement frameworks that facilitate and help SMEs to access resources, training and financial support, particularly focusing on leadership development initiatives. Furthermore, relevant authorities should make efforts to provide incentives for SMEs to invest in research and development (RandD) to foster innovation and adaptability, which are crucial for sustained growth. SMEs owners are also advised to try and implement systems to monitor and evaluate the impact of leadership development initiatives on business performance, allowing for ongoing improvements and adjustments to programmes. Finally, developing a robust crisis management plan should be prioritised, particularly one that emphasises clear communication, rapid decision-making and employee support. Crisis management workshops or simulations may help owner/managers prepare for unexpected challenges, ensuring that they can lead confidently during turbulent times. Together, these strategies not only strengthen EL, but also position SMEs to achieve sustainable growth in increasingly complex markets.

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