

INNOVATION MANAGEMENT STRATEGIES BY SMES AND SUPPORTING ACTORS IN POST-COVID ZIMBABWE

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Abstract

The COVID-19 pandemic disrupted business operations worldwide, compelling Small and Medium Enterprises (SMEs) to adapt through new forms of innovation and resilience. The article investigates innovation management strategies adopted by SMEs in post-pandemic Zimbabwe. It focuses on how these enterprises reconfigured their business models in response to the economic shocks and emerging digital opportunities brought about by the crisis. The article relies on secondary data sources, including peer-reviewed academic literature, policy reports and case-based evidence. This approach enables a comprehensive synthesis of existing knowledge on SME innovation management and the identification of contextual patterns within Zimbabwe's post-COVID recovery landscape. The findings reveal that SMEs increasingly adopted digital tools, product diversification and informal knowledge-sharing mechanisms to sustain operations and enhance competitiveness. However, limited access to finance, infrastructural deficits and inconsistent institutional support continue to constrain their innovation potential. The article concludes that a coherent, multi-stakeholder innovation ecosystem anchored on capacity-building, digital infrastructure investment, and stable policy frameworks is essential for fostering long-term SME growth and resilience. The study's implications extend to policymakers and development partners seeking to design inclusive post-crisis recovery strategies that prioritise innovation-driven SME development.

Keywords: business model, emerging digital opportunities, recovery landscape, product diversification, informal knowledge-sharing, competitiveness, infrastructural deficit, institutional support

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INTRODUCTION

Small and Medium Enterprises (SMEs) form the backbone of Zimbabwe's economy, representing nearly 94% of all registered businesses and contributing significantly to employment creation (International Trade Centre, 2023). Despite their prevalence, their contribution to national GDP remains below potential, hindered by structural constraints such as limited access to finance, inadequate infrastructure and restrictive regulatory frameworks (Nyikadzino and Mataire, 2022). These challenges became more pronounced during the COVID-19 pandemic period that disrupted supply chains, reduced consumer demand and forced many enterprises to adopt survival-oriented strategies (Aloqab *et al.*, 2024). In the post-COVID era, innovation management has emerged in Zimbabwe as a critical determinant of SME survival. Thus shaping how enterprises respond to persistent economic instability and digital transformation pressures. The pandemic acted as both a shock and a catalyst, compelling enterprises to reimagine their operations, diversify products and services, embrace digital tools, and explore new market linkages (Nosike *et al.*, 2024). Innovation, therefore, has shifted from being a desirable competitive advantage to an essential mechanism for resilience and continuity (Caballero-Morales, 2021). However, innovation capacity among SMEs is often undermined by resource limitations and volatile macroeconomic conditions that hinder long-term strategic planning.

Supporting actors including government agencies, financial institutions, innovation hubs, and development partners, play an indispensable role in shaping the innovation landscape for SMEs (Selviaridis and Spring, 2022). Their contribution through policy development, funding mechanisms, infrastructure provision and capacity-building initiatives determines how effectively SMEs can adopt and sustain innovative practices. However, the gap between policy formulation and practical implementation remains a persistent challenge, with many SMEs reporting limited engagement, insufficient technical support and a lack of enabling ecosystems that encourage

collaboration and experimentation (Manyati and Mutsau, 2021; Dzingirai *et al.*, 2021).

The article, therefore, seeks to examine the innovation management strategies employed by SMEs in Zimbabwe in the post-pandemic context and critically explores the role of supporting actors in facilitating these efforts. By integrating literature review and case-based insights, it highlights both the opportunities and constraints shaping the innovation ecosystem. The discussion ultimately argues for a multi-stakeholder, system-wide approach that prioritises digital transformation, inclusive financing, skills development and coordinated institutional support to foster a more resilient and competitive SME sector in Zimbabwe's economic recovery trajectory.

LITERATURE REVIEW

The literature on SMEs and innovation management has been extensively developed over the last two decades, reflecting the growing importance of these enterprises in driving economic growth, employment, and social inclusion. In this section, the key concepts of SME innovation management and the role of supporting actors are critically explored

SMEs AS DRIVERS OF ECONOMIC DEVELOPMENT

SMEs have been widely recognised as the backbone of economies worldwide, contributing substantially to GDP, employment creation, and poverty alleviation (Asriati *et al.*, 2022). It has been observed that SMEs contribute to economic diversification by facilitating entrepreneurship, supporting innovation and generating opportunities for women and youth (World Bank, 2020). In Zimbabwe, SMEs have been estimated to represent more than 90% of business entities and to provide livelihoods for millions of households, particularly in the informal sector (ZimStat, 2022). Despite this significance, it has been reported that their economic contribution remains below potential, as structural bottlenecks, such as lack of affordable financing, infrastructural deficits, and policy inconsistencies, have continued to constrain performance (Dzingirai *et al.*, 2021). The COVID-19

pandemic exacerbated these challenges, resulting in widespread business closures, liquidity shortages, and disruptions in supply chains. These impacts have been consistent with global trends, where SMEs were found to be disproportionately affected compared to larger firms due to their lower cash reserves and limited ability to absorb prolonged shocks (Gordana and Biljana, 2021).

CONCEPTUAL FOUNDATIONS OF INNOVATION MANAGEMENT IN SMEs

Innovation has been defined as the process through which new ideas, products, processes or business models are developed and successfully implemented to generate economic and social value (Kurniawan *et al.*, 2021). Within SMEs, innovation has frequently been incremental rather than radical, focusing on small process improvements, informal product diversification, and flexible customer engagement practices (Nwosu *et al.*, 2024). Innovation management has been conceptualised as the deliberate orchestration of these innovation activities, including planning, organising, resourcing, and monitoring, to achieve sustained competitive advantage (Gordana and Biljana, 2021). For SMEs in Zimbabwe, innovation management before COVID-19 was primarily driven by entrepreneurial intuition and survival tactics rather than formalised systems (Mabhandu, 2024). The pandemic forced a shift toward more structured approaches, including the adoption of digital technologies, the use of mobile money platforms and informal knowledge-sharing networks that allowed firms to continue trading during lockdowns.

Scholars have consistently emphasised the importance of absorptive capacity that is the ability of firms to recognise, assimilate and apply new external knowledge as a decisive factor in driving successful innovation (Mishrif and Khan, 2023). Absorptive capacity is not simply a function of information availability; rather, it depends on prior related knowledge, organisational learning routines, and managerial commitment to continuous improvement (Rafique *et al.*, 2018). Evidence from Kenya illustrates this point vividly. Studies have shown that Kenyan SMEs with higher levels of absorptive capacity are reflected in trained managerial staff, established knowledge-sharing practices,

and investment in research and development (Wendo *et al.*, 2025). These are more likely to integrate new technologies effectively and translate them into a competitive advantage (Musyoka, 2024). Conversely, firms with limited absorptive capacity often struggle to derive meaningful benefits even when technologies or external knowledge are readily accessible.

These dynamic underscores the argument that innovation support policies must go beyond simply improving access to digital tools or finance. Without the organisational capability to learn, adapt, and embed new practices, such interventions may yield only superficial or short-lived gains. The Kenyan experience suggests that strengthening absorptive capacity requires deliberate capacity-building efforts. These include training programmes in digital literacy and innovation management, mentorship networks and incentives for firms to collaborate with universities and research institutions (Musyoka, 2024).

SUPPORTING ACTORS AND THE INNOVATION ECOSYSTEM

Innovation is increasingly understood as a systemic process rather than a linear, firm-level activity. It is embedded within a broader ecosystem that includes government agencies, financial institutions, research organisations, private sector associations and international development partners (Asriati *et al.*, 2022). These actors interact to create an enabling environment by providing critical resources such as finance, infrastructure, policy frameworks, technical support, and market linkages (Asriati *et al.*, 2022). A well-functioning innovation ecosystem fosters knowledge spillovers, facilitates collaboration between public and private sectors, and supports risk-taking by reducing uncertainty through stable regulatory regimes and predictable economic policies (Chowdhury, 2025).

REGIONAL AND GLOBAL EXPERIENCES

When compared with regional peers, Zimbabwe's SME sector exhibits both similarities and divergences. Like SMEs in South Africa and Kenya, Zimbabwean enterprises faced liquidity challenges, supply chain

disruptions, and labour constraints during the pandemic (Musyoka, 2024). However, in countries such as South Africa, coordinated wage support schemes and SME digitalisation programs were rolled out rapidly, allowing a smoother recovery trajectory (Ndabeni-Abrahams, 2024). Kenya's partnership with fintech companies to integrate SMEs into e-commerce platforms has been cited as a best practice in promoting resilience through innovation.

By contrast, Zimbabwe's SME support interventions were narrower in scope and slower in disbursement compared to those in countries such as Kenya and South Africa, where targeted stimulus packages and digitalisation grants were rapidly arranged to cushion small businesses (Ndabeni-Abrahams, 2024). In Zimbabwe, fiscal constraints and policy uncertainty limited the rollout of comparable measures, with the government's support focusing mainly on short-term liquidity relief rather than long-term innovation incentives (Dzingirai *et al.*, 2021). This comparative perspective suggests that although Zimbabwean SMEs showed resilience and creativity in adapting to the post-pandemic context. Their ability to scale innovation remained constrained, highlighting the need for systemic reforms in financing, infrastructure, and capacity building (Nyikadzino and Mataire, 2022).

The literature reviewed reveals several limitations in how SME innovation management has been examined within the Zimbabwean context. Much of the existing scholarship remains largely descriptive, emphasising constraints such as financing and regulatory barriers rather than the managerial and organisational processes underpinning innovation (Mabhanda, 2024; Manyati and Mutsau, 2021). The influence of supporting actors, including government institutions, financial intermediaries, and development partners, is often assessed primarily through their roles as financial assistance, with insufficient attention to knowledge transfer, capacity-building and policy coherence (Kusangaya and Mpundu, 2024).

Contradictions have been noted in how SMEs are positioned as engines of economic recovery while being subjected to regulatory burdens that

discourage formalisation. Policies have emphasised innovation and entrepreneurship, yet tax regimes and compliance requirements have been reported as onerous for small enterprises (Mbizi, 2022). Debates have also emerged over the extent of state involvement in SME innovation promotion. Some scholars have argued that state interventions risk distorting market incentives and creating dependency, while others have maintained that in low-resource contexts, public support is indispensable for building innovation capacity (UNCTAD, 2021). These debates remain unresolved and are highly relevant for Zimbabwe, where fiscal space is limited and private investment in innovation remains low.

Innovation management has been widely acknowledged as critical for SME survival and competitiveness in the post-COVID era (Gordana and Biljana, 2021). It has been demonstrated that SMEs must adopt new technologies, diversify product offerings, and strengthen networks to remain viable. However, it has also been revealed that these efforts are constrained by systemic barriers, including financing gaps, digital infrastructure limitations, and fragmented policy support. For Zimbabwean, the issue is how Zimbabwean SMEs strategically manage innovation under these constraints and how supporting actors either enable or inhibit these strategies (Manyati and Mutsau, 2021).

METHODOLOGY

The study employed a qualitative, desk-based research design that relied exclusively on secondary data sources to investigate innovation management strategies adopted by SMEs in Zimbabwe and the role of supporting actors in the post-COVID context. The choice of a secondary data approach was guided by the study's objective to synthesise existing knowledge and derive conceptual insights rather than to generate new empirical data. Peer-reviewed journal articles, government policy documents, international organisation reports including UNCTAD, ILO, OECD, and reputable think-tank publications were systematically reviewed. The search for literature was conducted using databases such as Google Scholar, Scopus, and Research Gate, employing key terms such as "SMEs Zimbabwe," "innovation management," "COVID-19

recovery,” “digital transformation,” and “supporting actors.” Inclusion criteria emphasised publications that addressed innovation, SME resilience and post-pandemic recovery strategies in developing countries, with a particular focus on Sub-Saharan Africa and Zimbabwe.

Data extraction was conducted iteratively, ensuring that the synthesis captured both firm-level innovation practices and the institutional, financial, and policy mechanisms influencing these practices. The extracted data were then subjected to thematic content analysis, guided by the conceptual and theoretical framework outlined in the study. This involved identifying, coding, and categorising recurring themes related to innovation management, digital transformation, policy support, and post-COVID resilience. This methodological approach was chosen to produce a comprehensive, evidence-based understanding of the innovation ecosystem, while also identifying gaps in current scholarship that justify further empirical investigation.

RESULTS

The results of the study synthesise secondary data on innovation management strategies by small and medium-sized enterprises (SMEs) in Zimbabwe, as well as the roles of supporting actors in shaping the post-COVID innovation ecosystem. The pandemic introduced unique constraints and opportunities, forcing SMEs to reconfigure their business models and seek new ways to survive. These results reveal the diversity of innovation management strategies being adopted, the persistent barriers that impede broader uptake, and the contributions of external actors, government, private sector, development partners, and business networks in enabling or constraining these processes.

OVERVIEW OF INNOVATION IN SMEs

Innovation is no longer optional but a survival mechanism for SMEs in Zimbabwe. Before the COVID-19 pandemic, many SMEs operated with informal systems and relied heavily on face-to-face trade and cash-based transactions (Svotwa *et al.*, 2023). The pandemic disrupted these conventional modes of operation through movement restrictions,

supply chain breakdowns, and shifts in consumer demand. This shock acted as a catalyst for SMEs to experiment with new approaches, such as online trading, contactless payments, and home delivery services (Foya and Garikayi, 2021). These findings resonate with global research that positions crises as accelerators of innovation by compelling firms to respond quickly to changing conditions.

Post-COVID, innovation among SMEs has taken multiple forms: process innovation (streamlining workflows, adopting digital platforms), product innovation (introducing new or reconfigured products) and business model innovation (exploring subscription models, partnerships, or shared services) (Kahveci *et al.*, 2025). Service-oriented SMEs, particularly those in food retail, logistics and creative industries, were found to be more agile in adapting to new technologies compared to manufacturing firms that faced additional constraints related to equipment and capital intensity.

TECHNOLOGICAL INNOVATION AND DIGITAL ADOPTION

One of the most consistent insights emerging is the rising significance of digital transformation as a driver of SME competitiveness and survival in post-COVID Zimbabwe (Khoza and Mkosana, 2025). The adoption of digital technologies, ranging from e-commerce platforms and social media marketing to digital payment solutions, has been consistently linked to improved operational resilience, business continuity, and market expansion (Manyati and Mutsau, 2021). Evidence from case studies and sectoral reports shows that SMEs that successfully transitioned to digital channels were able to maintain customer engagement and generate sales despite severe restrictions on physical movement and traditional business operations during lockdowns. In particular, platforms such as WhatsApp and Facebook became critical low-cost marketing and sales tools, allowing SMEs to communicate product offerings, take orders, and provide after-sales support in real time. This shift enabled even small, resource-constrained businesses to reach geographically dispersed customers and to compete more effectively with larger firms, demonstrating how digitalisation can level aspects of the playing field.

The uptake of mobile money services, especially EcoCash and OneMoney, further highlights the pivotal role of financial technology in supporting SME resilience. These services became indispensable for facilitating secure and efficient transactions in an environment characterised by cash shortages, social distancing requirements and a growing consumer preference for contactless payments (Kusangaya and Mpundu, 2024). Beyond transactional convenience, the data generated by these platforms offered SMEs valuable insights into customer purchasing patterns that could be leveraged for demand forecasting and targeted marketing. This reflects the emerging literature that frames digital financial inclusion as a catalyst for business model innovation, particularly in developing economies.

Despite these advances, the extent and sophistication of technological adoption among Zimbabwean SMEs remain uneven. There are some firms that continue to face constraints related to unreliable internet connectivity, limited digital literacy and high data costs. This restricts the full integration of digital tools into their operations (Chirume and Moyo, 2023). Moreover, while some enterprises have adopted basic digital solutions for accounting and inventory management, the transition towards data-driven decision-making is still at an early stage. These tools though often low-cost and simplified for small enterprises have nonetheless enhanced managerial efficiency by enabling real-time tracking of sales, stock levels, and cash flow. In a context marked by inflationary pressures and supply chain volatility, such efficiencies have become crucial for business continuity and cost control. The ability to generate and analyse operational data represents an emerging competitive advantage, underscoring the growing interdependence between technological capability and innovation management in Zimbabwe's post-COVID SME sector.

IMPACT ON PERFORMANCE AND COMPETITIVENESS

Empirical studies indicate a strong association between innovation adoption and improved performance among SMEs in Zimbabwe, suggesting that firms that integrate technological and managerial innovations are more likely to achieve higher growth and

competitiveness (Simuka, 2024). Firms that embraced digital solutions were found to recover more rapidly from the severe disruptions caused by the COVID-19 pandemic, maintaining business continuity at a time when traditional operations were heavily constrained (Foya and Garikai, 2021; Makanyeza *et al.*, 2023). Digital innovation facilitated remote working arrangements, online marketing, and e-commerce activities that not only allowed these firms to retain their customer base but also helped them attract new clients during the crisis period. The ability to leverage digital tools also enhanced competitiveness, as SMEs that adopted such technologies were better positioned to participate in regional and international markets (Mabhandu, 2024). For instance, firms utilising online marketplaces, digital payment systems, and logistics platforms were able to expand beyond their local customer base and tap into export opportunities, aligning with broader efforts to integrate Zimbabwean SMEs into global value chains.

Innovation has additionally been correlated with improved financial and operational outcomes. While comprehensive quantitative datasets remain limited, case-based evidence from industry reports and development agency assessments suggests that digitally enabled SMEs experienced a measurable reduction in operational costs. These firms optimised staff deployment through the use of automation and digital workflows, thereby improving labour productivity and reducing inefficiencies (Kusangaya and Mpundu, 2024). They also reported higher sales volumes and revenue growth compared to non-adopters, highlighting the role of innovation in driving market competitiveness. These findings strongly affirm the Resource-Based View (RBV) perspective that posits that firms are able to develop, acquire, and deploy valuable, rare, and difficult-to-imitate resources. These include proprietary knowledge, technological capabilities, or innovative business models that are more likely to sustain a competitive advantage over time. In Zimbabwe, where resource constraints are significant, innovation acts as a strategic lever enabling SMEs to overcome structural limitations and achieve long-term viability, thereby contributing to broader post-pandemic economic resilience and growth.

BARRIERS TO INNOVATION

Despite the clear benefits of innovation, SMEs in Zimbabwe continue to face considerable structural and institutional barriers that constrain their capacity to innovate. Access to finance remains the most reported obstacle, with many enterprises struggling to secure capital for purchasing technology, training employees or experimenting with new business models (Manyati and Mutsau, 2021; Nyazenga *et al.*, 2023). High interest rates, stringent collateral requirements, and the limited availability of venture financing restrict the ability of SMEs to undertake innovative investments. These financial constraints are compounded by infrastructural challenges, including unreliable electricity supply and inconsistent internet connectivity, particularly in rural and peri-urban areas. Such deficiencies raise operational costs and increase the risk associated with adopting digital tools and systems, making innovation less attractive for resource-constrained firms.

The shortage of relevant skills further limits the innovative potential of SMEs. Many business owners and employees lack formal training in digital literacy, financial management and innovation strategy. This reduces their capacity to effectively deploy and benefit from new technologies. These skills gap also hinders firms from engaging in systematic research and development or participating in collaborative innovation initiatives (Nyazenga *et al.*, 2023). In addition, Zimbabwe's macroeconomic environment, characterised by high inflation, exchange rate volatility, and unpredictable policy shifts, creates uncertainty that undermines long-term planning. In such a climate, SMEs are often forced to prioritise short-term survival over strategic investment in innovation. Collectively, these barriers not only slow the diffusion of innovation but also risk widening the gap between early adopters and lagging enterprises, potentially entrenching inequalities in firm performance and market participation across the SME sector.

ROLE OF SUPPORTING ACTORS

Supporting actors, including government agencies, financial institutions, business associations, research institutions, and development partners, play a decisive role in shaping the enabling

environment for SME innovation by providing finance, infrastructure, policy frameworks and training and market linkages. When these actors work in a coordinated and strategic manner, they can create dynamic ecosystems that stimulate entrepreneurship, foster collaboration, and accelerate the diffusion of technology. However, the findings reveal a mixed picture of support, while several promising initiatives exist. This includes concessional lending, tax incentives, and capacity-building programmes, and their impact has often been uneven due to bureaucratic inefficiencies, short-term focus and limited accessibility for micro and informal enterprises. Scholars argue that such gaps can undermine the long-term sustainability of innovation ecosystems, as firms without adequate internal capabilities or absorptive capacity may struggle to translate external support into productivity gains. This highlights the need for more integrated, demand-driven policies that not only provide resources but also strengthen the capacity of SMEs. They will therefore effectively leverage available opportunities, thereby ensuring that innovation support reaches a critical mass of enterprises and contributes to systemic transformation.

Government support for SME innovation has taken the form of blended finance schemes, incubation hubs, and training programs. For example, initiatives under the Ministry of Women's Affairs, Community, Small and Medium Enterprises Development aim to formalise SMEs and link them to financial support. However, many programs suffer from limited coverage, bureaucratic inefficiencies and inadequate monitoring (Nyikadzino and Mataire, 2022). SMEs often report difficulty in accessing these opportunities due to a lack of information or excessive compliance requirements.

Private sector and business networks, including industry associations, chambers of commerce, and private incubators, have provided valuable platforms for networking and capacity building. These organisations facilitate peer learning, business mentorship and advocacy for policy reforms (Peter *et al.*, 2023). SMEs participating in such networks are more likely to innovate and expand into new markets compared to

isolated firms. Development partners have played a catalytic role by funding innovation challenges, providing technical assistance, and supporting digital literacy initiatives. NGO-led projects have also focused on empowering women and youth entrepreneurs, thereby addressing structural inequalities in access to innovation resources.

STRATEGIES FOR STRENGTHENING INNOVATION MANAGEMENT

The synthesis of findings highlights several strategic imperatives for strengthening innovation management within Zimbabwean SMEs. Cultivating a culture of innovation emerges as a critical foundation for long-term competitiveness. This includes encouraging openness to experimentation, rewarding creativity, and embedding continuous improvement practices into everyday operations (Mishrif and Khan, 2023). When employees are empowered to propose and test new ideas, firms are better positioned to adapt to market changes and develop unique value propositions. Strengthening digital skills is equally vital, given that technological adoption is increasingly linked to firm performance. Strategic partnerships with universities, polytechnics, and private training providers can help build the managerial and technical capabilities needed to fully exploit digital tools and platforms.

Access to finance remains a persistent bottleneck for innovation investment, necessitating the expansion of blended finance models, credit guarantee schemes, and angel investor networks that are tailored to SME needs. Such mechanisms would reduce the risks associated with innovation and allow more firms to invest in research, development, and technology upgrades. Beyond financing, the creation of collaborative ecosystems is essential (Makanyeza *et al.*, 2023). Multi-stakeholder platforms that bring together SMEs, researchers, policymakers, and larger corporations can facilitate knowledge exchange, joint problem-solving, and co-creation of market-ready innovations (Nosike *et al.*, 2024). These networks would also enable SMEs to leverage economies of scale and strengthen their bargaining power within value chains. Policy coherence and stability are prerequisites for building confidence among SMEs and encouraging long-term planning. Reducing regulatory bottlenecks, ensuring

consistency in policy implementation, and aligning SME support initiatives with broader national development priorities will create a predictable environment that fosters innovation (Simuka, 2024). If implemented in an integrated manner, these strategies have the potential to transform Zimbabwe's SME sector from one focused on survival to one oriented toward sustainable growth, thereby contributing significantly to the country's post-pandemic economic recovery and resilience.

DISCUSSION

The findings of the study underscore the central role of innovation management strategies in enhancing the resilience and competitiveness of SMEs in post-COVID Zimbabwe. A key emergent pattern is the prominence of digital transformation as both a survival mechanism and a growth enabler. SMEs that adopted digital tools, from e-commerce platforms and social media marketing to mobile money services, revealed a higher capacity to maintain operational continuity, expand market reach, and optimise internal processes. These patterns converge with existing literature on innovation in SMEs in developing economies that highlights technology adoption as a critical determinant of firm performance, particularly during periods of systemic disruption (Sharma and Sharma, 2023; Peter *et al.*, 2023). However, while global studies often emphasise infrastructure as a straightforward enabler, the Zimbabwean context reveals the compounded effect of macroeconomic volatility, regulatory uncertainty and gendered access barriers, illustrating a divergence from idealised models of innovation diffusion.

The successful deployment of digital capabilities, managerial know-how, and innovative business models can be seen as valuable, rare, and difficult-to-imitate resources that confer sustained competitive advantage. In practice, SMEs that invested in digital skills, collaborative networks, and cloud-based tools effectively leveraged these resources to differentiate themselves in the market, supporting assertions that resource endowments shape firm performance (Nyazenga *et al.*, 2023). Nevertheless, the findings also indicate that: structural constraints such as limited access to finance and infrastructural deficits mean that

possessing resources alone is insufficient without an enabling ecosystem. This suggests the need to better explain how environmental factors, policy coherence, regulatory frameworks, and government support mediate the realisation of SME innovation potential (Selviaridis and Spring, 2022). By linking internal capabilities with external institutional conditions, a more comprehensive understanding emerges of why some SMEs innovate successfully while others remain constrained.

The findings reinforce the argument that digitalisation is not simply a technological trend but a foundational enabler of innovation for Zimbabwean SMEs. It serves as both a survival mechanism and a growth pathway, enabling firms to adapt rapidly to market shocks, diversify revenue streams, and access previously unreachable markets (Dzingirai *et al.*, 2021). From a theoretical standpoint, these developments align with the Resource-Based View (RBV) by illustrating how digital capabilities can become strategic assets, valuable, rare and difficult for competitors to replicate, that underpin sustainable competitive advantage. They also resonate with innovation diffusion theory that explains how technology adoption spreads through a population of firms over time, with early adopters often enjoying disproportionate benefits. In the Zimbabwean context, digital transformation appears to be moving from being a discretionary option to becoming a necessity for SME participation in the post-pandemic economy.

Another important pattern relates to the decentralisation of innovation. The empirical data reveal that youth-led and micro-enterprises, particularly home-based ventures, are emerging as significant drivers of innovation through low-cost digital solutions. This supports the notion of “grassroots innovation” in the literature, where individuals and small enterprises contribute meaningfully to economic dynamism outside formal settings (Erdiaw-Kwasie *et al.*, 2023; Nwosu *et al.*, 2024). The Zimbabwean case amplifies this argument: innovation is no longer solely the preserve of formal firms or large-scale incubators but

is increasingly diffused across the micro-entrepreneurial landscape. This trend has theoretical implications, as it challenges models that assume innovation emanates predominantly from structured institutional contexts, indicating that flexibility, adaptability, and informal knowledge networks are equally critical in shaping innovative outcomes.

Gendered dynamics further deepen the interpretive significance of these findings. Women-led SMEs demonstrate high creativity and adaptability but are disproportionately hindered by barriers in accessing finance, digital technologies, and networks. These patterns resonate with literature emphasising the gendered nature of entrepreneurial constraints (Caballero-Morales, 2021) and highlight the need for tailored policy interventions. Integrating these gendered insights with the RBV and Institutional Theory suggests that innovation capacity is not only a function of resources and institutional environment but also of equitable access to both. Policies that neglect gender-specific barriers risk excluding a substantial portion of the entrepreneurial population from contributing to post-pandemic economic recovery, highlighting a misalignment between policy design and the lived realities of SMEs.

Collaborative networks emerge as another critical enabler of innovation. SMEs engaged in partnerships with industry associations, NGOs, research institutions, and other enterprises were more effective in knowledge sharing, market expansion, and adoption of new technologies. This finding aligns with Open Innovation theory that posits that firms benefit from external knowledge and co-creation (Asriati *et al.*, 2022). The Zimbabwean experience demonstrates that formal and informal networks complement internal capabilities, acting as conduits for skill transfer, funding access, and market intelligence. Importantly, this emphasises the relational dimension of innovation: it is not solely the possession of technology or finance but also the ability to interact within knowledge networks that determines SME innovative outcomes.

The discussion indicates that innovation in Zimbabwean SMEs is a multi-dimensional phenomenon, shaped by the interplay of internal capabilities, digital adoption, institutional support, gendered constraints, and collaborative networks. The findings refine the conceptual understanding of post-COVID innovation management. Empirically, the study highlights that digital transformation is a practical and observable manifestation of innovation capacity, while capacity-building interventions and policy support constitute critical mediating factors. From a theoretical perspective, this underscores the importance of integrating multiple frameworks, resource-based, institutional, and network theories, to generate a robust explanatory model for SME innovation in fragile economic contexts.

CONCLUSION

The study highlights that effective innovation management is crucial for SME resilience and competitiveness in the post-COVID era. Zimbabwean SMEs increasingly adopted digital tools, diversified products and engaged in informal knowledge-sharing mechanisms to maintain operations and sustain market presence despite significant economic disruptions. These strategies have proven vital for business continuity and competitiveness. However persistent barriers including limited access to finance, infrastructural deficiencies and inconsistent institutional support continue to constrain the broader adoption and scalability of innovative practices.

In response, a coherent and coordinated approach is vital to strengthen the SME innovation ecosystem. Policymakers are encouraged to invest in digital infrastructure, ensuring reliable internet access and digital financial services to facilitate broader SME participation in both local and regional markets. Capacity-building initiatives, delivered through partnerships with academic institutions and private training providers, should be prioritised to enhance digital literacy and managerial skills critical for innovation adoption. Moreover, establishing multi-stakeholder platforms that connect SMEs with financial institutions, industry associations, research centres, and development partners can foster knowledge exchange, co-creation and access to targeted financial

and technical resources. Policy coherence and regulatory stability are also essential in creating an environment in which SMEs can confidently plan, invest and scale innovative strategies.

By implementing these measures, Zimbabwe can cultivate a dynamic and inclusive innovation ecosystem where SMEs are empowered to transition from short-term crisis management to sustainable growth. Such an environment not only enhances firm-level performance but also contributes meaningfully to post-pandemic economic recovery, employment creation and broader socio-economic development. The study therefore underscores that strategic support for SME innovation anchored on infrastructure, skills development, collaborative networks, and stable policy frameworks is essential for fostering long-term resilience and competitiveness in a rapidly evolving economic landscape.

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