



THE NEXUS BETWEEN KNOWLEDGE MANAGEMENT AND COMPETITIVE ADVANTAGE FOR SMES IN CHINHOYI, ZIMBABWE

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Abstract

This research investigated the impact of knowledge management on competitive advantage of Small to Medium Enterprises (SMEs) in Chinhoyi. The major objective was to identify the association between knowledge management and competitive advantage for SMEs. A quantitative research design and questionnaire were used with a sample of 3000 SMEs and a cross sectional survey methodology was used. The study concluded that items of knowledge management skills that is: available information, new knowledge from external sources, generated knowledge databases, capacity to use generated knowledge, networking, and continued improvement, generation of new ideas, experienced workers and employees sharing knowledge were rated highly, highlighting good level of knowledge generation capacity in SMEs in Chinhoyi. The study also concluded that knowledge generation capacity was directly and positively associated with competitive advantage.

Keywords: Competitive Advantage, Knowledge Capabilities, Knowledge Capacity Knowledge Management, Small to Medium Enterprises, Zimbabwe

INTRODUCTION

Gupta, *et al.*, (2008) defined knowledge management as the: creation, sharing and use of firm's intangible assets so that they create value for its internal and external shareholders. Knowledge Management (KM) is of great importance to the survival and growth of any organisation, it helps firms attain competitive advantage. World Bank (2012) regards knowledge as the new currency and Omotayo (2015) argues that knowledge management offers a competitive incentive amongst organisations. Cerchione *et al.*, (2015) noted that knowledge management has generated competitive and dynamic environments where knowledge exchange in SMEs is increasingly becoming crucial in supporting the operations and competitiveness of the whole system in the organizations.

Pillania (2008) and Shelton (2001) reveals that knowledge is concerned with what people knows and what they have gained through life experiences. Most firms are not yet employing Knowledge Management strategies to attain competitive advantage. Abbas *et al.*, (2020) posit that the context of KM in many organisations is still disjointed and this is further clarified by Cerchione *et al.*, (2015) who argued that the degree of adoption of KM is not homogeneous and there are still profound differences among various industries. Even though there were factors that inhibits the adoption of KM exercises and approaches in the past, Cerchione *et al.*, (2015) noted that Information and Communication Technologies (ICTs) are increasingly offering SMEs new tools that are deemed low-cost (knowledge management systems (KMSs) that do not require significant financial investments) and ease-of-use (ICTs provide KMSs that do not need specific skills) and are more effective. In analysing the association between knowledge management and competitive advantage, the following variables were used: level of education, length of service and the association between knowledge generation capacities and knowledge generation capabilities with competitive advantage.

Background

The current business environment is rapidly shifting from the physical and tangible resources to knowledge (intangible resources) (Valmohammadi, 2010). Quartey *et al.*, (2017) buttress that KM is now the most useful approach in explaining the competitiveness and achievement of firms. Msomi *et al.*, (2021) opines that other firms achieve their competitive advantage over their competitors due to KM. The African countries remain on a record high with at least five SMES in every seven new ventures failing during their first year of existence due to lack of KM (Adcorp, 2012). For example, 85% of SMEs in Zimbabwe fail within their first three years, one-third of new SMEs in Uganda do not go beyond their first year of operation, and

between 50% and 95% of SMEs in South Africa fail within the first five years (Nyamwanza *et al.*, 2016),

Manzoor, *et al.*, (2021) and Matias and Serrasqueiro (2017) highlighted that the factors that hinders the implementation of KM systems and strategies by SMEs are directly or indirectly linked to common knowledge shared by all members which is mainly human embedded. Knowledge is a resource which is difficult to imitate since its intangible and this will give SMES a sustainable differentiation and a competitive advantage to its competitors (McEvily and Chakravarthy, 2002). KM is an organised procedure that helps firms identify, produce, and keep informed of their knowledge base and to bring new products and services to the consumers (Fink and Ploder 2009). Therefore, if KM practises and methods are correctly handled, they are important ingredient for the success of the SMEs' competitive advantage. Previous studies in Europe by Edvardsson and Durst (2013), McAdam and Reid (2001) and Wong and Aspinwall, (2004) reveals that SMEs can profit from implementing KM practises and procedures.

Chinhoyi SMEs

Chinhoyi is found in the Mashonaland West province of Zimbabwe and different SMEs are found in the field of mining, farming, retail and manufacturing sectors. Karedza *et al.*, (2014) noted that most of the SMEs in Chinhoyi are subsistence-oriented. The main aims of the SMEs in Chinhoyi are survival and wealth maximisation over a short period of time (Moyo, 2010). Most people in Chinhoyi are venturing into SMEs due to lack of formal employment and as a way of up keeping their families. The major challenge that most SMEs are facing in Chinhoyi is lack of funding (Karedza *et al.*, 2014). Karedza *et al.*, (2014) further noted that lack of access to funding has caused less expansion and efficient operations which is causing them to fail to meet additional demand from their customers and restricting them to take opportunities which may come their way. Lack of funding for SMEs in Chinhoyi has resulted in the entry of foreign nation in the area in the mining and brick moulding areas.

Statement of the Problem

Small to medium enterprises are increasingly failing to attain competitive advantage due to lack of use of knowledge management skills. The background of the study has highlighted the importance of KM to SMEs. KM is of key importance to the growth and expansion of small firms leading to achieving sustainability of their businesses which will result in attaining competitive advantage. The current business environment is rapidly shifting from the physical and tangible

resources to knowledge therefore there is need to analyse the association between Knowledge Management and Competitive Advantage for SMEs in Chinhoyi, Zimbabwe.

Research Objective

The major objective of this research is to determine the association between knowledge management and competitive advantage of SMEs in Chinhoyi City. The specific objectives of the study were:

- 1 To establish the current knowledge generation capacity in SMEs in Chinhoyi City
- 2 To determine the association between knowledge management and competitive advantage on SMEs in Chinhoyi City

Research Questions

- 1 What is the knowledge generation capacity in SMEs in Chinhoyi?
- 2 What is the association between knowledge management and competitive advantage in SMEs on Chinhoyi City

LITERATURE REVIEW

Introduction

SMEs are of great importance to the growth and expansion of every economy, they are now contributing to employment creation, exports and gross domestic product, Balcerzy (2020) analysed SMEs in Poland and observed that SMEs are very useful to the growth of Poland economy, they are helping in: employment creation, contributing towards the growth of industry, helping in the capital formation and they are responsible for the production of intermediate goods and help in the growth of craftsmanship. Balcerzy (2020) established that the following factors are affecting KM: non availability of suitable incentive systems, the establishment of a knowledge sharing climate and teamwork is a barrier to KM programmes, firm's competitiveness on the market, promoting firms' culture, retaining skilled workers, ensuring the inflow of new skilled workers and creating a positive image on the external labour market. Bartolacci *et al.*, (2020) noted that in low-income countries, SMEs accounts for 60% to 70 % on employment. Aliyu (2015) analysed the relationship between SMEs performance and KM in Nigeria and found out that there is substantial and positive association between knowledge management and firm performance. Another study on the relationship between KM and firm performance in Nigeria by Olasoji *et al.*, (2019) concluded that knowledge management practices, family values, governance and founder's influence are pertinent to enhance family business continuity

Magaisa (2017) argues that studying the progress of SMEs is an activity that no country can take lightly because of the sector's significant contribution to the nation's economy. Of importance, Magaisa (2017) stresses that SMEs face problems that include finance, technology, lack of knowledge, organizational culture and internal motive to implement sustainable practice. The SMEs are invariably confronted with a slew of challenges including a lack of entrepreneurship education, a scarcity of business awareness, a lack of easy access to capital, monetary illiteracy along with monetary access have been mentioned as a contributor to the slow development of most small enterprises in Zimbabwe (Rambe and Mosweunyane, 2017). According to Aliyu (2015), an effective organisational environment and the implementation of KM processes should increase the quality and quantity of both explicit and tacit knowledge of individuals, teams and the whole organisation. KM processes might be defined as the processes by which individuals, teams and organisational subsystems interact, acquire, create, store, share, retain and effectively use knowledge (Valarmathi and Vasanth, 2020).

Rahim and Zainuddin (2019) noted that competitive advantage on small and medium-sized enterprises is realised by the formulation of business strategies which will result in their sustainability creation of values to their customers. Brancati, *et al.*, (2021) noted that competitive advantage is regarded as the ability of the organisation to differentiate itself from other competitors. Furthermore, competitive advantage is also an essential foundation for devising business strategies to attain sustainable growth. Rahim and Zainuddin (2019) opined that to construct the competitive advantage in the aspects of cost leadership, differentiation of products and services, and responsiveness to the needs of a specific group of customers to be in accordance with the opportunities and obstacles of both internal and external environments of the organization. Competitive advantage is obtained when an organisation develops or acquires a set of attributes (or execution actions) that allow it to outperform its competitors (Fainshmidt, *et al.*, 2019).

Theoretical Framework

This study is based on the following theories: Knowledge Based View Theory, Cognitive-Framework Model and Knowledge-Creation Theory. The Knowledge Based View Theory was put forward by Grant and Spender (1996). They noted that firms should come up with two different conceptual directions that is economic and a social-constructionist. Grant and Spender (1996)'s understanding of a social-constructionist Knowledge Based View (KBV) of the organisation take note of the following major assumptions: (1) The organisation can be known as a structure of knowledge; (2) explicit and implicit understanding are noticeably separated; (3)

organisations are considered as cognising enterprises and (4) perception are moulded by common cultural systems and are a better source of decision-making knowledge. The main characteristic of the KBV is the view of tacitness. This theory clearly proposes that knowledge can help firm to gain competitive advantage.

Another supporting theory which also talks of knowledge tacit is the Cognitive-Framework Model which was put forward by Piaget (1974). The main focus of this theory was on tacit knowledge; memory, comprehension and organisational learning. The theory acknowledged the role of tacit knowledge in performing cognitive tasks such as problem-solving in organisations. Cognitive capabilities represent a scarce resource of an organisation that cannot be easily imitated and possession of which could enhance quality decisions. Non-recognition of explicit knowledge as a source of firm performance and emphasis on top management cognitive capabilities. The Knowledge- Creation Theory by Nonaka and Takeuchi (1995) focused on tacit knowledge, explicit knowledge, knowledge spiral, knowledge conversion, KM strategies, KM infrastructure, and knowledge adoption.

All these theories provide a broad explanation and theoretical perspective of knowledge management. According to Aaltonen, et al., (2014) and Changwasha (2019), tacit knowledge is regarded as a possible source of competitive advantage because of its restricted transferability.

Conceptual framework

A conceptual framework is a system of concepts, assumptions, expectations, beliefs and theories that supports and informs research, Maxwell, (2015). The conceptual framework was formulated in order to investigate the link between Knowledge Management (independent variable) and on Competitive Advantage (dependent variable) in the case of SMEs in Chinhoyi and intervening variables (Knowledge capabilities and Knowledge generation capabilities).

The association assumes that knowledge generation capabilities which is observed in (leadership style, technology, financial resources, human resources and suitable work environment) and knowledge generation capacity which is observed in (available information, external sources, knowledge database capacity to use knowledge, networking and continuous improvement) is associated with competitive advantage which will results in increase in sales volume, market share, customers and changes in customer needs. Figure 1 shows the conceptual framework.

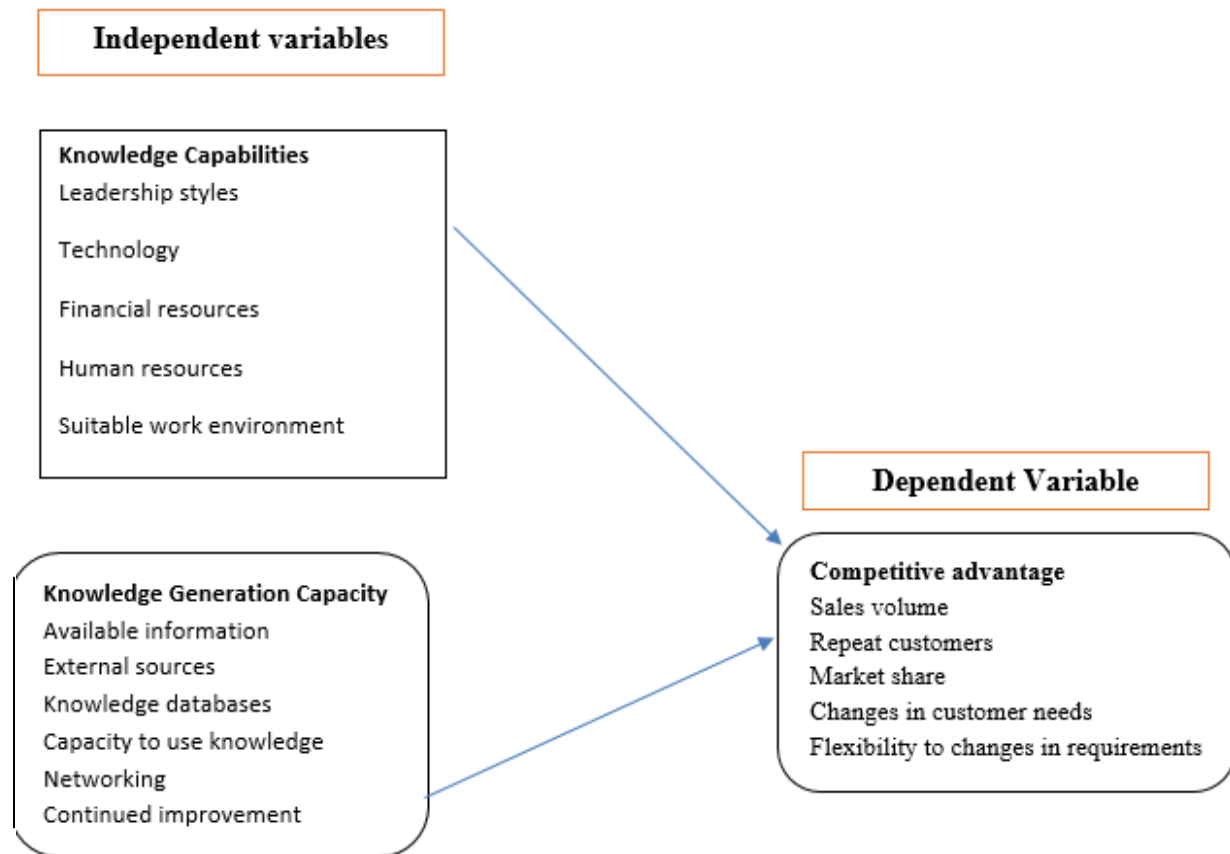


Figure 1 Conceptual framework

METHODOLOGY

The study used the positivist philosophy and a quantitative research design to gather the information. The target population of this study consists of 3000, all the registered SMEs in Mashonaland West Province (Ministry of Small and Medium Enterprises and Cooperatives Development, 2020). In Mashonaland West Province, it is estimated that there are 3000 registered SMEs (Ministry of Small and Medium Enterprises and Cooperatives Development, 2020).

To come up with the sample size in this research, Krejcie and Morgan (1970) Model was employed at 5% confidence level and 3000 population, resulting in the sample size of two hundred and sixty five (265). Stratified random sampling was employed for this study. Firstly, the population was divided into strata namely: finance and business services, retailing, agricultural, pharmaceuticals electrical and electronics, textiles and telecommunications. The distribution of the strata is shown in Table 1.

Table 1 Strata-wise Sample Distribution

Finance and Business Services	32
Retailing	57
Agriculture	40
Pharmaceuticals	11
Electricity and Electronics	36
Textiles	70
Telecommunications	19

Within these strata, simple random sampling was employed to select officials and executives that were then included in the survey. The sampling technique ensures that sections that had the biggest representation proportionally had most respondents. The study used semi structured questionnaires with some measurement scales to examine the relationships between knowledge management and competitive advantage.

To achieve reliability, the semi-structured questionnaire was pre-tested before the actual data collection process. The research instrument was reviewed by peers, supervisor and expert ratters for perfection. Corrections were done in line with the feedback. Piloting was conducted on a small sample of 37 respondents in Chinhoyi. The reliability in this study was further achieved by conducting test-retest reliability and subjecting the results obtained to a Cronbach's Alpha, to determine the measure of internal consistency and reliability of the instruments and a value of 0.70 was obtained. After assessing the quality of the measurement model, the data was assessed by means of AMOS version 22.0, employing the maximum likelihood estimates.

RESULTS AND DISCUSSIONS

Highest Qualifications of Participants

Attitudes differ amongst research participants as a result of educational levels as suggested by Pluye *et al.*, (2018) The highest qualifications of participants from SMEs helped the researcher assess the extent of research participants in understanding the subject of KM, competitive advantage and organizational culture.

Table 2 Highest Qualifications

	Frequency	Percent	Valid Percent	Cumulative Percent
"O" Level	34	13.5	13.5	13.5
"A" Level	51	20.3	20.3	33.9
Certificate	48	19.1	19.1	53.0
Diploma	47	18.7	18.7	71.7
Undergraduate Degree	58	23.1	23.1	94.8
Post graduate Degree	13	5.2	5.2	100.0
Total	251	100.0	100.0	

Regarding highest qualifications of the participants, 34 were holders of Ordinary Level certificates while 51 were holders of Advanced Level certificates. Certificate holders were 48 of the selected sample and Diploma holders constituted 47. As for undergraduate degree holders, they were 58, while post graduate degree holders were 13. The data shows highest educational qualifications and majority of the respondents were holders of a minimum of a diploma qualification hence they could understand the subject of knowledge management well and could provide accurate data to assist the researcher in finding solutions to the SMEs knowledge management challenges in Chinhoyi.

Working Experience of Participants

It is unarguable that work experience shapes the research participants knowledge on an organisation's history. An employee who has less working experience will still be learning in relation to understanding organisational dynamics as compared to the more experienced ones. Therefore, the researcher regarded working experience to be of essence to the current research study.

Table 3 Working Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
Less than 5 years	66	26.3	26.3	26.3
6-10 years	60	23.9	23.9	50.2
11-15 years	68	27.1	27.1	77.3
16-20 years	41	16.3	16.3	93.6
More than 20 years	16	6.4	6.4	100.0
Total	251	100.0	100.0	

The data presented in Table 3 reflects that participants who had less than 5 years of working experience in SMEs were 66 while the 6 – 10 year range had 60. The 11 – 15, 16 – 20 and above 20-year ranges had 68, 41 and 16 respectively. By virtue of the majority of the respondents having working experience that ranged from 11 to above 20 years of working experience, they were more knowledgeable on the subject of knowledge management within SMEs.

Objective 1: Knowledge Generation Capacity

This section presents responses relating to research question 1 which was on the knowledge generation capacity in SMEs in Chinhoyi. The results are presented in the following tables.

Available information

The purpose of the question was to establish if indeed the business was able to create knowledge from the information available which will increase the value of the firm. This was one of the knowledge generation capacity in SMEs in Chinhoyi.

Table 4 Available information

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	5	2.0	2.0	2.0
Disagree	12	4.8	4.8	6.8
Neutral	6	2.4	2.4	9.2
Agree	101	40.2	40.2	49.4
Strongly Agree	127	50.6	50.6	100.0
Total	251	100.0	100.0	

Table 4 shows that 127 strongly agreed that the business was able to create knowledge from the information available while 101 agreed. However, 6 of the respondents were neutral, 12 disagreeing and 5 strongly disagreed. From the data presented above, the majority of respondents (228) were of the view that the business was able to create knowledge from the information available. Nonaka and Takeuchi (1995) noted that knowledge is justified like a true belief that increases an entity's capacity or effective action.

New knowledge from external sources

Purpose of the question was to establish if employees obtained new knowledge from external sources (through seminars, journals, expert networks, business partners and clients).

Table 5 New knowledge from external sources

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	13	5.2	5.2	5.2
Disagree	18	7.2	7.2	12.4
Neutral	14	5.6	5.6	17.9
Agree	75	29.9	29.9	47.8
Strongly Agree	131	52.2	52.2	100.0
Total	251	100.0	100.0	

Table 5 shows that 131 of the research participants strongly agreed that employees obtained new knowledge from external sources (e.g. through seminars, journals, expert networks, business partners and clients), while 75 and 14 agreed and were neutral respectively. However, 18 and 13 of the respondents disagreed and strongly disagreed respectively. The data shows that majority constituting 206 of the respondents were of the perception that

employees obtain new knowledge from external sources. Hung *et al.*, (2010) have stated that innovative ideas can be derived from, both internal as well as external knowledge and this capability and richness make organisations innovative.

Generated knowledge databases

This question intended to check if business was able to keep safely the generated knowledge in databases.

Table 6 Generated knowledge databases

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	18	7.2	7.2	7.2
	Disagree	17	6.8	6.8	13.9
	Neutral	14	5.6	5.6	19.5
	Agree	95	37.8	37.8	57.4
	Strongly Agree	107	42.6	42.6	100.0
	Total	251	100.0	100.0	

The data collected and presented in Table 6 indicate that 107 of the respondents strongly agreed that their business was able to keep safely the generated knowledge in databases while 95 agreed. As for those who were indifferent, they constituted 14 of the respondents, and 17 disagreed that their business was able to keep safely the generated knowledge in databases while 18 strongly disagreed. The researcher observed that majority of the respondents constituting 202 had the view that their business was able to keep safely the generated knowledge in databases. Sher and Lee (2003) noted that firms have the IT specialists to maintain data base, which help in the formation of new knowledge to perform special tasks efficiently

Capacity to use generated knowledge

The purpose of the question was to establish if business had created the capacity to use generated knowledge by its employees.

Table 7 Capacity to use generated knowledge

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	15	6.0	6.0	6.0
	Disagree	23	9.2	9.2	15.1
	Neutral	10	4.0	4.0	19.1
	Agree	80	31.9	31.9	51.0
	Strongly Agree	123	49.0	49.0	100.0
	Total	251	100.0	100.0	

Regarding business having created the capacity to use generated knowledge by its employees, 123 of the research respondents strongly agreed whilst 80 agreed as presented in Table 7. However, 10 of the respondents were neutral while 23 and 15 disagreed and strongly disagreed respectively. The purpose of asking this question was to establish if the business had created the capacity to use generated knowledge by its employees. The data presented shows that the majority of the research participants who made up 203 were of the opinion that their business had created the capacity to use generated knowledge by its employees which will help them to deal with future changes in the business environment. Bushe (2019) assertion that knowledge management drives the organization towards coping with change by guiding the organisation to deal with change or by providing the management essential information to cope with the ramifications of constant change.

Networking

The purpose of this question was to establish whether on sharing, business had been able to create networking for purpose of ensuring multiple access to knowledge.

Table 8 Networking

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	14	5.6	5.6
	Disagree	18	7.2	12.7
	Neutral	14	5.6	18.3
	Agree	62	24.7	43.0
	Strongly Agree	143	57.0	100.0
	Total	251	100.0	100.0

Data presented in the Table 8 shows that 143 respondents strongly agreed and 62 agreed that on sharing, their business had been able to create networking for purpose of ensuring multiple access to knowledge. As for the respondents who were neutral, they constituted 14 thus indicating indifference on whether to agree or disagree to the question. However, 18 respondents disagreed while 14 strongly disagreed. The majority of the respondents (205) were of the view that on sharing, their business had been able to create networking for purpose of ensuring multiple access to knowledge. This is also supported by Balcerzy (2020) who established that the following as factor affecting KM: lack of appropriate incentive systems, the creation of a knowledge sharing climate and teamwork is a barrier to KM programmes, company's competitiveness on the market, supporting organisational culture, retaining talented employees, ensuring the inflow of new talented employees and creating a positive image on the external labour market..

Continued improvement

The purpose of the question was to get the respondents' perceptions on whether individuals in their organizations were committed to continued improvement.

Table 9 Continued improvement

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	13	5.2	5.2
	Disagree	18	7.2	12.4
	Neutral	26	10.4	22.7
	Agree	88	35.1	57.8
	Strongly Agree	106	42.2	100.0
	Total	251	100.0	100.0

Results presented in Table 9 shows that 106 and 88 strongly agreed and agreed respectively that individuals in their organizations were committed to continued improvement. The ones who were neutral made up 26 of the total respondents while 18 and 13 disagreed and strongly disagreed respectively. The data presented shows that the majority of respondents (194) were in agreement that individuals in their organizations were committed to continued improvement. Continuous improvement will result in improved performance, development of new products or services, improving quality, responding to market change and reducing cost which will sustain small firm and give them competitive advantage (Chuang, 2004)

Generation of new ideas

This question intended to solicit for answers on the degree to which there was a constant flow generation of new ideas in our organization.

Table 10 Generation of New Ideas

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	6.4	6.4
	Disagree	20	8.0	14.3
	Neutral	12	4.8	19.1
	Agree	62	24.7	43.8
	Strongly Agree	141	56.2	100.0
	Total	251	100.0	100.0

Results presented in Table 10 indicate that 141 of the research participants strongly agreed that there was a constant flow generation of new ideas in our organization while 62 agreed. As for those who were neutral, they made up 12 while those who disagreed and strongly disagreed constituted 20 and 16 respectively. The data presented under this section

indicates that the majority of the research participants constituting 203 were of the view that there was a constant flow generation of new ideas in our organisation.

Experienced workers

The purpose of the question was to establish if their organization encourages experienced workers to transfer their knowledge to other workers.

Table 11 Experienced workers

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	14	5.6	5.6	5.6
Disagree	21	8.4	8.4	13.9
Neutral	22	8.8	8.8	22.7
Agree	79	31.5	31.5	54.2
Strongly Agree	115	45.8	45.8	100.0
Total	251	100.0	100.0	

The data collected and presented in Table 11 show that 115 of the respondents strongly agreed that their organisation encouraged experienced workers to transfer their knowledge to other workers while 79 of them agreed. However, 22 of the respondents were unsure of the degree to which their organisation encouraged experienced workers to transfer their knowledge to other workers. As for those who disagreed and strongly disagreed, they were 21 and 14 respectively. The data presented indicates that the majority of the research participants constituting 90.8% were of the perception that their organisation encouraged experienced workers to transfer their knowledge to other workers.

Employees sharing knowledge

The purpose of the question was to establish if employees shared knowledge by preparing written documents, such as training manuals and daily procedures.

Table 12 Employees sharing knowledge

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	11	4.4	4.4	4.4
Disagree	16	6.4	6.4	10.8
Neutral	15	6.0	6.0	16.7
Agree	76	30.3	30.3	47.0
Strongly Agree	133	53.0	53.0	100.0
Total	251	100.0	100.0	

The results presented in Table 12 shows that 133 strongly agreed and 76 agreed respectively. The ones who were neutral constituted 15 of the total respondents while 16 and 11 disagreed and strongly disagreed respectively. The data presented shows that the majority of the research participants making up 209 felt that employees shared knowledge by preparing written documents, such as training manuals and daily procedures. Jyoti (2013) noted that managers can also adopt the generative learning process within the organization where the employees can combine, convert and relate ideas to create new knowledge.

The association between knowledge management and competitive advantage on SMEs

The association was tested using two variables that is knowledge generation capacity and knowledge capabilities with competitive advantage

Hypothesis testing

Path analysis constitutes regression weights for the structural question modelling that were used to confirm or rejected the hypothesized relationships.

Table 13 Path analysis - Regression Weights

				Estimate	S.E.	C.R.	P	Label
COMP	<---	KNGE	1	.295	.061	4.805	***	par_28
COMP	<---	KNOC	2	.033	.052	.628	.530	par_29

H_{01} : Knowledge generation capacity does not impact on competitive advantage of SMEs in Chinhoyi.

H_{02} : Knowledge capabilities does not impact on competitive advantage of SMEs in Chinhoyi.

The first hypothesis proposed a relationship between knowledge generation capacity and competitive advantage of SMEs in Chinhoyi. The results were that Knowledge generation and competitive advantage has an estimated path coefficient manifested β value .295, $p=0.000$ which is less than the significant value of 0.05. This hypothesis proposed a positive relationship between knowledge generation and competitive advantage. This hypothesis was supported that it had a moderate causal effect. This infers that the H_{01} is concluded therefore, knowledge generation capacity impact on competitive advantage of SMEs in Chinhoyi. These results are supported by finding from a study by Aliyu (2015) in Nigeria who established that there was a significant and positive relationship between knowledge management and performance of manufacturing SMEs.

The second hypothesis proposed a relationship between knowledge capabilities and competitive advantage of SMEs in Chinhoyi. Knowledge capabilities and competitive advantage has an estimated path coefficient manifested β value .033, $p=0.530$ which is greater than the significant value of 0.05. The second hypothesis proposed a positive relationship between knowledge capabilities and competitive advantage. This hypothesis was not supported in that it had a very weak causal effect. This infers that the H_{02} is rejected. Therefore, knowledge capabilities does not significantly impact competitive advantage of SMEs in Chinhoyi. However these findings do not concur with those of Olasoji and Egwakhe and Akinlabi (2019), who established that knowledge management practices are pertinent to enhance business continuity. Furthermore, they found that knowledge management practices remain fundamental factor for family business continuity. Olasoji, Egwakhe and Akinlabi (2019) established that knowledge resources determine the capacity to innovate, grow and made higher profitability. It is clear from their study that family businesses needs succession planning to ensure continuity of the enterprise

CONCLUSIONS

All items of knowledge management skills that is: available information, new knowledge from external sources, generated knowledge databases, capacity to use generated knowledge, networking, and continued improvement, generation of new ideas, experienced workers and employees sharing knowledge were rated highly, highlighting good level of knowledge generation capacity in SMEs in Chinhoyi. The study also concluded knowledge generation capacity on competitive advantage in SMEs in Chinhoyi was directly and positively associated with competitive advantage

RECOMMENDATIONS

SMEs have a major dynamic role to play within a developing economy. Therefore, the need to push for a more competitive market should get the SMEs to become more active regarding the economic development. For knowledge management and competitive advantage to be well embraced by SMEs the research come up with the following recommendations:

Investment in Research and Development

To increase SMEs' knowledge management ability and capabilities, they is need to invest in research and development. This will help SMEs in acquiring technology, recruiting and selecting qualified personnel, training and development, and implementing mechanisms to increase the firm's competitive advantage.

Improvement on Government Support

The SME's ability to increase knowledge management can also be enhanced through government support and institutional policies. Therefore, it is recommended that managers and/or owners of SMEs lobby the government for support and instituting policies that promote innovativeness. SMEs can lobby for tax exemptions and deductions, financial grants, special loans, protection of intellectual property, and the right to use industry and technology information. There is need to be proactive from the government's perspective by ensuring that both financial and infrastructural supporting mechanisms are in place to enhance the knowledge management of SMEs.

Improvement on International Networks

SMEs can also increase their knowledge management through local, regional and international networks and collaborations. Likewise, managers and owners of SMEs are advised to build networks and collaborations with other institutions such as colleges, universities, research institutions, and well-established and innovative firms. SMEs are also advised to establish key relationships with customers, suppliers and society. Feedback from these stakeholders can be instrumental in fostering innovation.

Improvement Technology

A knowledge management initiative supported by technology where good practices may be exchanged or shared among SMEs and new knowledge may be generated would be helpful. Such initiatives are becoming very common in SMEs sector and proven to be very successful in countries such as Thailand, Bangladesh, Pakistan, China, Singapore, and Malaysia and so on , (Brett *et al.*, 2017; Byukusenge & Munene, 2017).

LIMITATIONS OF THE RESEARCH

The researcher noted that the major limitation to the presentation was the lack of application of triangulation in this research. The study focused on quantitative analysis only hence there is need for qualitative findings and triangulate them allowing the research to come up with a solid position.

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